

# Staff and Pensions Committee

Date: Monday 12 December 2022  
Time: 11.00 am  
Venue: Committee Room 2, Shire Hall

## Membership

Councillor Andy Jenns (Chair)  
Councillor Bill Gifford (Vice-Chair)  
Councillor Brian Hammersley  
Councillor Christopher Kettle  
Councillor Sarah Millar  
Councillor Mandy Tromans

Items on the agenda:

1. **General**
  - (1) **Apologies**
  - (2) **Disclosures of Pecuniary and Non-Pecuniary Interests**
  - (3) **Minutes of Previous Meetings** 5 - 14  
To confirm the minutes of the meetings held on 5 October 2022 and 15 November 2022.
2. **WFRS Re-engagement Following Retirement: Amendment to Service Order** 15 - 32
3. **Pensions Administration Activity and Performance Update** 33 - 40
4. **Employers Leaving and Joining the Warwickshire Pension Fund** 41 - 44
5. **Review of the Minutes of the Warwickshire Local Fire Pension Board Meetings of 6 June 2022 and 10 October 2022** 45 - 54
6. **Regulatory and Policy Update (1)** 55 - 96

**7. 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 paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972.’

**8. Regulatory and Policy Update (2)**

97 - 104

**9. Future Meeting Dates**

The Committee will meet on:

- Monday 6 March 2023 at 2pm
- Monday 12 June 2023 at 2pm
- Monday 11 September 2023 at 2pm
- Monday 11 December 2023 at 2pm
- Monday 4 March 2024 at 2pm

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

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### Disclosures of Pecuniary and Non-Pecuniary Interests

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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

Wednesday 5 October 2022

## Minutes

### Attendance

#### Committee Members

Councillor Andy Jenns (Chair)  
Councillor Bill Gifford (Vice-Chair)  
Councillor Brian Hammersley  
Councillor Christopher Kettle  
Councillor Sarah Millar  
Councillor Mandy Tromans

#### Officers

Barnaby Briggs, Assistant Chief Fire Officer  
John Cole, Senior Democratic Services Officer  
Jan Cumming, Team Lead and Senior Solicitor – Commercial and Contracts  
Martin Griffiths, Technical Specialist – Pension Fund Policy and Governance  
Vicky Jenks, Pensions Administration Delivery Lead  
Chris Norton, Strategy and Commissioning Manager – Treasury, Pension, Audit and Risk  
Tina Riley, Senior People Practitioner – Strategic People Improvement  
Keira Rounsley, Diversity, Inclusion and Wellbeing Team Leader  
Kate Sullivan, Lead Commissioner – Culture, Leadership and Performance  
Gary Summerfield, Health and Safety Technical Specialist

### 1. General

#### (1) Apologies

There were none.

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

There were none.

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

#### Resolved:

That the minutes of the meeting held on 13 June 2022 be approved as a correct record and signed by the Chair.

There were no matters arising.

## 2. Annual Review - Leading Organisational Wellbeing

Kate Sullivan (Lead Commissioner – Culture, Leadership and Performance) introduced the report which provided details of work undertaken over the past 12 months to promote organisational wellbeing, including key achievements in 2021/22, the priorities and action plan for 2022/23, and workforce performance data for 2021/22 with trend and benchmarking information.

In response to Councillor Millar, Kate Sullivan advised that the increase in absence rates in 2021/22 was largely due to the return to workplace settings following the requirement for many staff to work predominantly from home during the Pandemic. The easing of social distancing restrictions had led to increased transmission of colds and other viruses. This had been anticipated as a likely outcome of the transition to agile working and the absence target had been adjusted for this reason.

In response to Councillor Millar, Kate Sullivan agreed that agile working provided a means for individuals who were slightly unwell but able to work to remain at home rather than risk passing on any viruses. She emphasised the importance of ensuring that managers were able to maintain an awareness of the wellbeing requirements of staff, particularly those working remotely for long periods. She highlighted the advantages of collaboration spaces to ensure that office locations could be used flexibly to support engagement within teams.

Councillor Millar expressed support for the free on-site flu vaccination scheme. Kate Sullivan advised that the 2022 Scheme had recently been launched. Previously, the vaccination offer had attracted a good level of interest, leading to an expanded scheme for 2022.

The Chair praised the on-site vaccination scheme, stating that for a relatively low cost, the Authority could make a saving by avoiding staff absences due to flu.

In response to Councillor Millar, Kate Sullivan advised that support for stress, mental health, and workload management was tailored according to the demands of different roles across the organisation. Engagement with managers and teams was undertaken to develop an understanding of how support could be targeted. The Employee Assistance Programme provided a means to provide help and advice, particularly to individuals whose roles meant that they could be exposed to traumatic and upsetting situations.

In response to Councillor Kettle, Kate Sullivan advised that, historically, rates of absence were higher within the People Directorate. In cases where there was a risk of passing a virus on to vulnerable individuals, staff were directed to remain at home. However, approaches to limit absence rates remained a focus, including learning from areas of the organisation which had a consistently low sickness absence rate.

In response to Councillor Hammersley, Kate Sullivan advised that the cost of arrangements to cover staff absences was difficult to measure. It was influenced by multiple factors, such as staff covering the work of absent colleagues and arrangements for agency staff. Where agency staff were taken on, the reason for the appointment was not recorded. The figure provided within the report was based on salaries; the actual cost was much more difficult to verify.

In response to Councillor Gifford, Kate Sullivan advised that, at present, managers received information relating to attendance each month by email. The proposed Managers Absence

Dashboard would provide a convenient resource for managers to refer to, including data that enabled analysis of the reasons for staff absences, how this compared across the organisation, details of long-term absences, and other indicators.

In response to Councillor Kettle, Kate Sullivan advised that sickness absence data was scrutinised, enabling analysis of the number of days lost per employee across the organisation, as well as proportionately against the number of the staff who had not taken any sickness leave. Sickness absences were monitored, and indicators were in place to ensure that conversations could be held with members of staff who had reached a cumulative number of absences within a set period.

Councillor Gifford sought assurance that measures were in place to monitor potential abuses of the sickness absence policy whilst ensuring that proper attention was given to individuals who required support for legitimate problems, such as mental health difficulties. He highlighted the challenges for recruitment within the current labour market which placed additional pressure on some staff.

Kate Sullivan advised that the relaunched Attendance at Work Policy placed an emphasis on supporting staff to be well in work. Where there were cases of staff failing to maintain an expected level of attendance, processes were in place. HR advisors could liaise with staff and managers to review individual cases to reach a positive outcome.

### **Resolved:**

That the Committee:

1. Endorses the Leading Organisational and Wellbeing Review 2021/22 as set out at Appendix 1.
2. Notes the performance information in relation to the management of employee sickness absence during 2021/22 set out in Section 3 and endorses maintaining an overall target of 8 days per FTE (with a +/- 1 day tolerance) for 2022/23.
3. Notes the work in Our Approach to Leading Organisational Wellbeing and supports the priority actions for 2022/2023 set out Section 2.10.

### **3. Annual Review - Equality, Diversity and Inclusion (EDI)**

Keira Rounsley (Diversity, Inclusion and Wellbeing Team Leader) introduced the report which provided details of the diversity of the Council's workforce in 2021/22, including gender, ethnicity, and disability pay gap data. The report outlined the Council's commitment to support staff to feel valued, included, safe, and supported. It provided a summary of key achievements in 2021/22 and priority actions for the year ahead.

Councillor Gifford praised the quality of report, stating that it provided a positive account of the organisation. This would provide assurance to prospective employees that a culture was in place that did not discriminate based on gender, sexuality, ethnicity, disability, or other grounds. He praised the good progress that had been made.

In response to Councillor Hammersley, Keira Rounsley advised that the Council operated an equal pay policy, meaning that there was equal pay for equal work irrespective of gender, ethnicity, or

other factors. She advised that the pay gap data included within the report provided insight into the difference between average earnings for specific groups. She emphasised that recruitment was based upon talent, however, the existence of structural inequalities was acknowledged. Pay gap data showed a higher proportion of men in senior roles. Research had shown multiple reasons for this, including unconscious bias and wider societal factors. The findings of the report enabled a focus on the inclusivity of promotional rates.

In response to Councillor Kettle, Keira Rounsley advised that the Your Say survey had been updated for the year ahead to enable a distinction to be made between direct experience and witnessing of bullying. Future annual reports would provide details of these two categories, including the nature of the incident (for example, whether it related to an interaction between colleagues, with a manager, or involved a member of the public). This would provide improved data. Anonymous reporting would also support a better understanding of levels of bullying, and where engagement could be targeted to achieve an improvement.

In response to Councillor Kettle, Keira Rounsley advised that, based on the data for 2021/22, it was difficult to discern if there had been multiple reports by witnesses of the same incident of bullying. She highlighted the changes brought about by agile working; should bullying occur on a platform such as Microsoft Teams, there would be fewer witnesses. Sessions to address the risk of online bullying and harassment would be held during National Inclusion Week.

Keira Rounsley advised that several options were available to staff to report bullying and harassment. Where possible, individuals affected by bullying were encouraged to seek an informal resolution. In cases that required a different approach, it was possible to make use of the Council's Grievance Policy, Bullying and Harassment Policy, Listening Mates scheme, as well mediation, and engagement with trade unions.

Councillor Millar praised the report, stating that the quality of the data captured would help the Council to achieve its objectives. She expressed support for the even balance between men and women within the Senior Leadership Team. The actions proposed to accelerate progress would support the drive for equality across the organisation. In future, she suggested that a view be sought from staff on the implications of caring responsibilities to gauge the impact that this had on wellbeing.

**Resolved:**

That the Committee:

1. Agrees that the Council's Equality, Diversity & Inclusion (EDI) Annual Review 2021/2022 be published on the Council's website to meet the statutory requirement to publish annually equality information relating to employees, including gender pay gap information.
2. Agrees that the Council's gender pay gap figures, based on a reporting date of 31 March 2022, be published on the Government's gender pay gap website, as required by the gender pay gap regulations.
3. Notes the work in Our Approach to EDI and supports the priority actions for 2022/2023 as set out at Section 2.7.



#### **4. Annual Review - Focus on Corporate Health and Safety**

Gary Summerfield (Health and Safety Technical Specialist) introduced the report which provided an overview of the work undertaken in 2021/22 to promote the Council's corporate Health and Safety objectives, including key achievements in 2021/22 and areas of focus for the year ahead.

Barnaby Briggs (Assistant Chief Fire Officer) provided a summary of the Warwickshire Fire and Rescue Service (WFRS) Health, Safety and Wellbeing Annual Review 2021/22 which was included as an appendix to the report.

In response to Councillor Gifford, Gary Summerfield advised that health and safety legislation had not yet caught up with the shift to agile working. Where an employee was asked to work from home, technically this constituted an office environment, and the employer had a responsibility for that individual's safety. He emphasised that the employee also had a responsibility for the safety of their home environment. Priority had been given to ensuring that Display Screen Equipment (DSE) assessments were undertaken to improve the safety of those working from home. Portable Appliance Testing (PAT) was also appropriate in circumstances when staff had removed electronic equipment from office locations to support home working. The Council had a responsibility to ensure that this equipment was safe and well maintained.

In response to the Chair, Gary Summerfield advised that a risk assessment and DSE assessment were required for home working. It was not practicable for the Health and Safety Team to visit home working locations to make an assessment. Instead, guidance was provided to staff. The Council's principles for Health and Safety would be updated once the anticipated changes to national legislation were made.

In response to Councillor Hammersley, Gary Summerfield advised that, following a report of an accident or personal injury, an investigation was undertaken. This would seek to ascertain the cause of the incident, and whether it had resulted from a management issue or a 'deviation from arrangements' (where an individual had neglected to follow recommended processes). In cases where personal injury had resulted from a failure to follow guidance, the Authority was not held to be at fault. Training was required to ensure that all staff were aware of Health and Safety standards.

Councillor Kettle highlighted the challenges associated with risk assessments for home working. He queried whether it was reasonable for the Authority to be held responsible for accidents occurring at home.

Gary Summerfield advised that any incidents would be examined on a case-by-case basis. If an accident had resulted from equipment which had been supplied by the Council, the investigation would seek ascertain whether the equipment had been properly maintained and used safely.

In respect of the WFRS Health, Safety and Wellbeing Annual Review, Councillor Millar expressed her thanks for the valued work undertaken by the Fire and Rescue Service.

In response to Councillor Millar, Gary Summerfield underlined the importance of Near Miss reports. By monitoring near misses, the Council could anticipate emerging trends to prevent serious injury or harm. Technological innovations would support increased reporting of near misses, enabling investigation and the introduction of control measures.

**Resolved:**

That the Committee:

1. Endorses the Annual Review;
2. Supports the Council's proposed Health and Safety key focus areas for 2022/ 2023 as set out in Section 3.0 and within the Our People – Focus on Corporate Health & Safety Annual Review 2021 / 2022.

**5. Subsistence Allowances**

Kate Sullivan (Lead Commissioner – Culture, Leadership and Performance) introduced the report which sought to align subsistence allowances paid to members of staff with the recent upgrades to member subsistence allowances emerging from the revised Members' Allowances Scheme. She provided a summary of the proposed maximum allowance rates for lunch and evening meals. She emphasised that these were not fixed allowances but rather the maximum amount that could be claimed upon submission of a receipt. She advised that very few subsistence claims were made; financial implications were minimal.

The Chair expressed support for the allowance paid to staff to be aligned with the members' scheme.

In response to Councillor Hammersley, Kate Sullivan advised that subsistence allowances for staff had not been reviewed for several years. The updated Members' Allowance Scheme had prompted the initiative to update staff allowances. The amounts were not linked to inflation.

Councillor Gifford underlined that the financial implications of the proposed changes were minimal. He expressed support for the recommendation.

**Resolved:**

That the Committee:

1. Approves the alignment in Lunch and Evening Meal subsistence allowances between members and staff to be effective as soon as reasonably practical.
2. Authorises the Strategic Director for Resources to engage with schools on the proposal that the increase to subsistence allowances be applied to all community and voluntary controlled Warwickshire schools and to finalise those arrangements having regard to the outcome of that consultation.

**6. Pensions - Regulatory and Policy Update**

Martin Griffiths (Technical Specialist, Pension Fund Policy and Governance) introduced this report which provided a summary of recently reviewed Pension Fund policies and gave an update on regulatory developments in the pensions arena. He advised that the Committee's approval was sought to authorise the Strategic Director for Resources to update the Administration Strategy Statement and Governance Policy Statement.

Martin Griffiths reported that the Admissions and Termination Policy had been reviewed by Hymans Robertson, the Fund's Actuary. Hymans had suggested that some changes be made to the Policy, listed within the report. He advised that, as Hymans was in the process of restructuring the Council's Funding Strategy Statement, it was proposed to delay finalising the Admissions and Termination Policy until after this work was completed. An update would be provided to the Committee in due course.

Martin Griffiths advised that, at the time of compiling the report, the Chancellor of the Exchequer had confirmed that the state pension triple lock would be reinstated from April 2024. There had been no indication that this would change as an outcome of governmental changes. However, the Committee would be kept informed of any alterations.

**Resolved:**

That the Committee:

1. Notes the updates contained within the report.
2. Authorises the Strategic Director for Resources to update the Administration Strategy Statement, and (in consultation with appropriate persons) the Governance Policy Statement.

**7. Pensions Administration Activity and Performance Update**

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

Vicky Jenks advised that efforts had been made to progress the Member Self Service Scheme (MSS), enabling Annual Benefit Statements to be accessed electronically. To date, 20% of eligible scheme members had signed up to the scheme. She advised that this compared favourably to the progress of similar schemes elsewhere. Continued promotion of the MSS Portal would help to increase the number of subscribers.

Vicky Jenks advised that a breach had been reported following difficulties in obtaining data from a Multi Academy Trust within agreed timescales. Since publication of the report, up-to-date information had been provided leading to resolution of the matter.

In response to Councillor Kettle, Vicky Jenks advised that a resolution had been reached to a recent complaint from a member of the Pension Fund who had expressed concern that payment had been made prior to issue of a payslip. This had occurred because of a minor software glitch which had since been corrected. There had been no other complaints.

**Resolved:**

That the Committee endorses the report.

## 8. Employers Joining and Leaving the Pension Fund

Vicky Jenks (Pensions Administration Delivery Lead) introduced the report which provided notice of new employers entering the Pension Fund as well as employers that were no longer active within the Fund.

Barnaby Briggs (Assistant Chief Fire Officer) advised that Kineton High School was part of the Stowe Valley Multi Academy Trust (rather than the Stour Federation, as listed within the report). Further investigation showed that a typographical error had been made. The report should have referred to 'Kineton Primary School', which had become part of the Stour Federation from 1 July 2022. This would be corrected.

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 (subject to changes to the reference to Kineton High School).

### Resolved:

That the Committee:

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

#### New Academies

- Kineton Primary School (Part of the Stour Federation), 1st July 2022

#### New Employers

- ABM Catering LTD (Holy Spirit Multi Academy Trust), 1st August 2021 (See 1.5)
- Alliance In Partnership LTD (Castle Phoenix Trust), 4th October 2021 (see 1.5)

2. Notes that the following employers will no longer be active in the Warwickshire Pension Fund:

- Chartwells Compass Group UK (Community Academy Trust), Community Academy Trust, 30th September 2022
- Chartwells Compass Group UK (The Polesworth School), 30th September 2022.

## 9. Next Meetings

Members noted the dates of future meetings.

The meeting rose at 15.30.

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Chair

# Staff and Pensions Committee

Tuesday 15 November 2022

## Minutes

### Attendance

#### Committee Members

Councillor Andy Jenns (Chair)  
Councillor Bill Gifford (Vice-Chair)  
Councillor Christopher Kettle  
Councillor Mandy Tromans

#### Officers

John Cole, Senior Democratic Services Officer  
Trish Kinsella, Lead Commissioner – Strategic People Improvement  
Tina Riley, Senior People Practitioner – Strategic People Improvement  
Nic Vine, Strategy and Commissioning Manager (Legal and Democratic)

### 1. General

#### (1) Apologies

Apologies were received from Councillor Brian Hammersley and Councillor Sarah Millar.

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

There were none.

### 2. Pay Award for Warwickshire County Council Employees on School Teachers' Pay and Conditions 2022

Trish Kinsella (Lead Commissioner – Strategic People Improvement) introduced the report which sought the Committee's approval to apply the national pay award to Warwickshire County Council staff employed on the School Teachers' Pay and Conditions Document (STPCD) in line with the approach set out within Section 3 of the report. Additionally, it was recommended that in future, only changes outside of the nationally determined pay uplift and advisory pay points would be brought to the Committee for approval with any changes within the nationally determined award being deemed approved.

Councillor Gifford expressed support for both recommendations. He recognised the financial pressures faced by schools. However, the Council could not influence the outcome of the national pay award. He moved that the Committee approve the recommendations.

Councillor Kettle expressed agreement that the first recommendation, to apply the national pay award, be approved by the Committee. However, he expressed his view that the Committee should continue to review future national pay awards. He stated that it was unlikely that in future years the proposed pay award would be deemed to be unacceptable. However, the Committee retained an obligation to Warwickshire taxpayers and the pay award should be given consideration, rather than agreed without holding a meeting.

A vote was held on the first recommendation, to apply the national pay award. This was unanimously supported by the Committee.

A vote was held on the second recommendation, that in future only changes outside the nationally determined pay uplift and advisory pay points would be brought to the Committee for approval (with any changes within the nationally determined award being deemed approved). The recommendation was not supported.

**Resolved:**

That the Committee approves the application of the national pay award to Warwickshire County Council staff employed on the School Teachers' Pay and Conditions Document in line with the approach set out at Section 3 of the report.

**3. Future Meeting Dates**

The Committee noted the future meeting dates.

The meeting rose at 14:12.

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Chair

## Staff and Pensions Committee

12 December 2022

### Abatement of Firefighters Pensions WFRS Re-engagement Following Retirement: Amendment to Service Order

#### Recommendation

That the Staff and Pensions Committee approves the amendments to the name and content of the WFRS Re-engagement Following Retirement Service Order as outlined within the body of this report and in Appendix 2.

#### 1. Executive Summary

- 1.1 The WFRS Re-engagement Following Retirement Service Order (updated July 2018) (Appendix 1) sets out the discretionary policy on abatement of pensions when scheme members are re-engaged following their retirement.
- 1.2 The ability to abate applies in the final salary Firefighters' Pension Schemes (FPS 1992, FPS 2006) where a member begins to draw their pension and remains employed or is re-employed/ re-engaged either by a Fire and Rescue Authority or, in the case of interservice abatement, by another public sector body. The overriding principle is that the new salary plus pension cannot exceed the salary the pension is based on (plus inflation). The pension would continue to be abated until the employment has ceased, or there was a change to the new salary which meant that the total (new salary plus pension) was no longer higher than the salary the pension is based on (plus inflation).
- 1.3 Following a decision by the Pensions Ombudsman in November 2021 (Determination number PO-25374) upholding a complaint against WFRS, Fire and Rescue Authorities were recommended to amend their discretionary policies on abatement.
- 1.4 The change of policy is intended to implement the Pensions Ombudsman's findings and recommendations in the above decision.
- 1.5 The Service Order has been amended to change the policy on the application of abatement from a blanket approach to one which allows for case-by-case consideration of the member's circumstances and any representations from the member prior to deciding whether to apply abatement or whether in appropriate cases, that abatement should not be applied.

- 1.6 There is no specific guidance on the criteria which should be considered when making the decision on whether or not to abate an individual's pension as a result of re-employment. Decisions will need to take into account the general principle of abatement i.e to protect the public purse. It should be noted that in such cases WFRS will be responsible for the cost of deciding not to abate.
- 1.7 The title of this Service Order has been amended to clarify its purpose and will now be referred to as the 'Re-employment Following Retirement Service Order.'

## **2. Financial Implications**

- 2.1 The cost of deciding not to abate will be the responsibility of WFRS.
- 2.2 A member of the relevant pension scheme is required to declare to the Council (or any other relevant employer) that they are in receipt of a Fire Service pension. Overpayments will be recovered so it is in the pensioner's interests to declare employment as soon as possible, and this is made clear in the amended Service Order.

## **3. Environmental Implications**

- 3.1 None

## **4. Supporting Information**

- 4.1 As set out in Firefighters' Pension Scheme Circular 10/2009 (<https://www.fpsregs.org/images/FPSC/10-2009.pdf>), HM Treasury (HMT) policy requires public sector pensions to be abated in certain circumstances when a public sector employee is re-employed following retirement. The general principle behind abatement is to protect the public purse from paying a pension and a salary to the same individual, i.e. the income from the public purse should not be increased by the addition of a pension.
- 4.2 Members of the Firefighters' Pension Scheme 1992 (FPS) receive special treatment under the Registered Pension Schemes (Prescribed Schemes and Occupations) Regulations 2005 (SI 2005 No. 3451) which allows them to retain a right to payment of a pension from age 50, i.e. before reaching the statutory normal minimum pension age, which is age 55.
- 4.3 Fire and Rescue Authorities must consider the application of abatement when it occurs in accordance with the regulations of the Firefighters' Pension Scheme 1992 and the New Firefighters' Pension Scheme 2006, although abatement does not apply to the Firefighters' Pension Scheme 2015.
- 4.4 The current Service Order relating to abatement - Re-engagement Following



Retirement Service Order (dated July 2018) is shown in Appendix 1 and outlines the current policy. This is to automatically abate the pension of a retired firefighter who is re-employed in any capacity by WFRS, to the extent that the aggregate of the pension in payment and the salary received on re-employment do not exceed the level of earnings received directly prior to their retirement.

- 4.3 FRAs were recommended to review their abatement policies in light of a decision by the Pension Ombudsman in November 2021 upholding a complaint against WFRS by a scheme member to whom the current policy had been applied. The Ombudsman determined that the blanket application of abatement was not appropriate in light of the wording of the Scheme Orders, and that FRAs' policies on abatement should set out clearly that abatement is not a blanket policy; that whether abatement should be applied will be assessed on a case by case basis; and that members will be given an opportunity to make representations which will be taken into account when a decision is being made whether or not to apply abatement to their pensions.

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

- 5.1 Following approval, the amended Service Order will be published in Warwickshire Fire and Rescue Service Document Library.

## Appendices

1. Appendix 1 July 2018 Service Order – Re-engagement Following Retirement.
2. Appendix 2 December 2022 Service Order – Re-employment Following Retirement

## Background Papers

1. [Informal Abatement Guidance](#)
2. Pensions Ombudsman decision - [https://www.pensionsombudsman.org.uk/sites/default/files/decisions/PO-25374\\_0.pdf](https://www.pensionsombudsman.org.uk/sites/default/files/decisions/PO-25374_0.pdf)
3. <https://www.fpsregs.org/images/FPSC/10-2009.pdf>

	Name	Contact Information
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Report Author	Marina Fraser-Ryan	<a href="mailto:marinafraserryan@warwickshire.gov.uk">marinafraserryan@warwickshire.gov.uk</a>
Assistant Director	Craig Cusack	<a href="mailto:craigcusack@warwickshire.gov.uk">craigcusack@warwickshire.gov.uk</a>
Strategic Director	Strategic Director for Communities, Strategic Director for Resources	<a href="mailto:markryder@warwickshire.gov.uk">markryder@warwickshire.gov.uk</a> <a href="mailto:robpowell@warwickshire.gov.uk">robpowell@warwickshire.gov.uk</a>
Portfolio Holder for Fire & Rescue and Community Safety	Councillor Andy Crump	<a href="mailto:cllrcrump@warwickshire.gov.uk">cllrcrump@warwickshire.gov.uk</a>

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

Local Member(s):

Other members:

## Re-Engagement Following Retirement Service Order

### Warwickshire Fire and Rescue Service Information Delivery System

**Summary:** This Service Order describes the policy and procedure adopted by Warwickshire Fire & Rescue Service (WFRS) on the re-employment of a Firefighter following retirement.

#### Contents

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**Warwickshire Fire and Rescue Service  
Information Delivery System  
Re-Engagement Following Retirement Service Order**

**Key Information**

### **1.1 Policy Introduction**

Members of the Firefighters' Pension Scheme (FPS) receive special treatment under the Registered Pension Schemes (Prescribed Schemes and Occupations) Regulations 2005 (SI 2005 No. 3451) which allows them to retain a right to payment of a pension from age 50, i.e. before reaching the statutory normal minimum pension age, which is age 55.

Increased longevity and general improvements in health and well-being inevitably mean that many firefighters may wish to remain in the Fire and Rescue Service. The rules of the FPS and NFPS do not prevent a firefighter remaining in employment after the normal pension/retirement age specified in the relevant schemes but a member cannot access benefits before he/she retires.

WFRS is under no obligation to re-employ firefighters who have retired. Nor have the rules of the FPS and the NFPS been amended to provide for "flexible retirement" (apart from the NFPS provision which allows for member-initiated early retirement from age 55).

Pensions are intended to provide income in retirement. Therefore where a retired firefighter is re-employed in any capacity by WFRS, we will abate the member's pension to the point where the aggregate of the pension in payment and the salary received on re-employment, does not exceed the level of earnings directly prior to their retirement. The substantive pay at the last day of service comprised of all permanent elements of pensionable pay, expressed as an annual rate, will be the level of earnings used for the comparison.

### **1.2 Abatement**

Abatement is the process whereby a member's pension can be reduced or stopped if a member retires and then returns to work and their earnings on re-employment (including pension) exceed their earnings before they retired.

Government policy, set by HM Treasury, requires public sector pensions to be abated in certain circumstances when a public servant is re-employed following retirement. The purpose of abatement is to protect public funds. It limits the remuneration payable at any one time in respect of a particular job preventing both the cost of pay and pension falling to the public purse; it ensures that those who receive early pensions have that taken into account should they seek re-employment within the public sector and it generally protects public funds from abuse.

There are two forms of abatement. In-service abatement occurs where re-employment is in a post covered by the same scheme which is paying the individual's pension. This would cover cases that would fall under Rule K4 of the FPS 1992 where a FRA responsible for paying a pension can reduce it, or withdraw it altogether, during any time where a retired member is re-employed as a regular firefighter. This would still apply in cases where the retired member was re-employed with another FRA. Different groups of employees within a FRA may belong to different pension schemes and it is possible, therefore, that a retired member of the FPS could be re-employed by a

FRA in a post covered by, say, the Local Government Pension Scheme. Under Part 9, rule 3 of the NFPS 2006, a FRA responsible for paying a pension can reduce it, or withdraw it altogether, during any time where a retired member is re-employed in any capacity by any FRA.

In addition to in-service abatement, government policy requires the abatement of public sector pensions in cases where retired public servants are re-employed to any employing public sector organisation without going through an open competition. This form of abatement is termed as Inter-service abatement and its application is required up to the point where the public servant reaches the normal pension age of the scheme that is paying their pension. Prior to re-employment the person declares the source of the pension and either the pension is reduced by the paying authority or pay is reduced by the new employer.

**Warwickshire Fire and Rescue Service  
 Information Delivery System  
 Re-Engagement Following Retirement Service Order**

**Primary Information**

## **2.1 Policy Application**

FRA's are under no obligation to re-employ firefighters who have retired and WFRS policy is that there is no automatic re-engagement of pensioners.

If through a competitive process a pensioner is re-employed; in line with "the Firefighters Pension Scheme 1992 – Abatement of Pension on the Re-employment of a Firefighter Circular FPSC 10/2009", WFRS will enact the following procedures:

- Retirement will constitute a break in service so that active members of the FPS will be terminated and no further pensionable service in the scheme can be accrued.
- Abate a member's pension where the cumulative pension in payment and the salary received on re-employment exceeds the level of earnings received directly prior to their retirement.
- If any re-employed pensioner was employed subject to uniformed terms and conditions, i.e. back to their previous role, they may be eligible to join the New Firefighters Pension Scheme (NFPS) provided that their role includes a requirement to engage in fire fighting or attendance at other emergencies.
- If access to the NFPS is not possible, then consideration would be given on whether the person was eligible to join the Local Government Pension Scheme (LGPS).
- The substantive pay at the last day of service comprised of all **permanent** elements of pensionable pay, expressed as an annual rate will be the level of earnings used for the comparison.
- Abatement will continue until the person retires permanently.

The process to be followed by an individual would be:

- Anyone seeking to take their pension and then be re-employed would first need to have formally resigned and accepted their pension, then have a break in service of at least one month before being re-employed.
- Individuals would need to apply for a post that was advertised by WFRS and comply with the requirements above in order to be eligible for selection.
- There is no restriction on applications for Green Book posts from former Grey Book employees, provided that the post has been advertised externally and has therefore been available for the general public to see.
- WFRS will impose restrictions on former Grey Book employees (who are in receipt of a pension from the FPS or NFPS) applying for another Grey Book role. Only those roles which are deemed to be hard to fill will be open to former Grey Book employees. Examples of hard to fill roles may be those in a highly specialist area or where a post is offered on reduced hours to accommodate a flexible working request.



- In all cases, those applying for employment following retirement must meet the requirements of the post and undergo the full selection process. In addition, WFRS will take into consideration the conduct of the individual whilst in employment. This will include reference to their absence record and performance.

**Note:** The financial implications of re-employment following retirement are the concern of the individual and independent financial advice should be sought in all cases. WFRS cannot and will not provide financial advice to any individual.

**Warwickshire Fire and Rescue Service  
Information Delivery System  
Re-Engagement Following Retirement Service Order**

**Support Information**

**3.1 Bibliography**

Firefighters' Pension Circular 10/2009 – “Firefighters’ Pension Scheme 1992 – Abatement of Pension on the Re-employment of a Firefighter”  
25th September 2009

**3.2 Responsible Officer**

HR Manager



## Re-Employment Following Retirement Service Order

### Warwickshire Fire and Rescue Service Information Delivery System

**Summary:** This Service Order describes the policy and procedure adopted by Warwickshire Fire & Rescue Service (WFRS) on the re-employment of a Firefighter following retirement.

#### Contents

<b>1.</b>	Key Information	1.1 Introduction 1.2 Scope 1.3 Firefighters Pensionable Age
<b>2.</b>	Primary Information	2.1 Applying for re-employment 2.2 Application for operational roles 2.3 Application for non-operational roles 2.4 Abatement 2.5 Individual responsibilities relating to abatement
<b>3.</b>	Supporting Information	3.1 Protected Pension Age – Implications for Re-employment of FPS Pensioners (1992 Scheme) 3.2 Firefighters Pension Scheme Examples 3.3 Informal Abatement Guidance 3.4 Virtual Fire Station Service Order (to be added) 3.5 Responsible Person

**Warwickshire Fire and Rescue Service  
Information Delivery System  
Re-employment Following Retirement  
Service Order**

**Key Information**

## 1.1 Introduction

The aim of this policy is to provide information to Grey and Gold Book employees contemplating retirement or who have retired who wish to be re-employed by Warwickshire Fire and Rescue Service or the wider County Council.

Re-employment has a twofold benefit; WFRS retains the skills and experience of an employee and the employee can have access to their retirement benefits but re-engage in employment on a more flexible basis.

## 1.2 Scope

This Policy and Procedure applies to all Members of the Firefighters Pension Schemes including:

- Firefighters Pension Scheme 1992
- Firefighters Pension Scheme 2006
- Firefighters Pension Scheme 2015
- Firefighters Compensation Scheme 2006

The term Firefighters is used to cover all roles up to and including Chief Fire Officer.

Further information on each of the schemes is available at <https://www.wypf.org.uk/firefighters/>

## 1.3 Firefighters Pension Scheme – Pensionable Age

Employees should request information from West Yorkshire Pension Fund who are able to provide accurate information on individual retirement dates and pension figures.

### **Firefighter Pension Scheme (1992 Scheme)**

In the FPS 1992 the normal pension age is 55 and the minimum 50, provided that the individual is able to reckon at least 25 years' pensionable service.

Firefighters may retire from the age of 50, having completed at least 30 years pensionable service, with the option to commute up to 25% of their annual pension in favour of a one-off lump sum.

Firefighters aged over 50 but under 55, with at least 25 years but less than 30 years pensionable service, may retire with the option to commute up to 2.25 x their annual pension into a lump sum.

### **New Firefighters Pension Scheme (2006 Scheme)**

In the NFPS the minimum pension age is 55 with a normal pension age of 60.

Firefighters may retire from the age of 60, with the option to take a 'commuted portion' which is limited to one quarter of the pension entitlement.

Firefighters aged over 55 may retire with the appropriate actuarial reduction; the reduction is currently 5% for each year up to 65 of the deferred pension age.

### **Firefighters Pension Scheme (2015 Scheme)**

Normal pension age is 60 but individuals remain an active Scheme member, and can continue to accrue pension (and would get an "age addition" to reflect the fact that they have postponed receipt of their pension).

Employees may request payment of their pension before age 60 provided that they have reached age 55.

It may be actuarially reduced, though, to reflect early retirement.

**Warwickshire Fire and Rescue Service  
Information Delivery System  
Re-Engagement Following Retirement Service Order**

**Primary Information**

## **2.1 Applying for re-employment**

The following sets out the criteria for re-employment. It should, however, be clearly understood that the granting of requests will be the exception rather than the rule and staff development and promotional opportunities should always be considered.

There are two ways to be re-employed:

1. Applying for an Advertised Role – WFRS/Warwickshire County Council recruit to a particular role and a current employee who is shortly due to retire or a previous employee applies in the usual manner to an advertised role. A full recruitment and selection process will be applicable.
2. Applying to the Virtual Fire Station (*Link to Service Order to be included*)

## **2.2 Application for Operational Roles**

WFRS, in considering requests for re-employment, will treat each case on its merit. The employee's on-going pension payments may be abated where applicable when they are re-employed on the principle that the annual rate of pay on re-employment, plus the annual rate of pension payable under the scheme should not exceed the annual rate of pay they received immediately prior to retirement (see Section 2.4 'Abatement' below).

## **2.3 Application for non-operational roles**

Where employees are re-employed following retirement into non-operational roles (i.e. green book roles) then the usual recruitment and selection policy and procedure apply as do the Green Book terms and conditions. The employee's on-going pension payments may be abated where applicable when they are re-employed on the principle that the annual rate of pay on re-employment, plus the annual rate of pension payable under the scheme should not exceed the annual rate of pay they received immediately prior to retirement (see Section 2.4 'Abatement' below).

## **2.4 Abatement**

On 6 April 2006, the Government relaxed the rules on pension commutation (converting some pension to a lump sum payment) whilst continuing in employment. As a result, subject to any future changes either in the pension schemes or by the Government, WFRS has elected to exercise this discretion and will enable employees in any of the relevant Firefighters Pension Schemes to retire from the scheme, access their lump sum and pension and be re-employed, subject to the abatement rule.

Government policy, set by HM Treasury, requires public sector pensions to be abated in certain circumstances when a public servant is re-employed following retirement. The purpose of abatement is to protect public funds. It limits the remuneration payable at any one time in respect of a particular job preventing both the cost of pay and pension falling to the public purse; it ensures that those who receive early pensions have that taken into account should they seek re-employment within the public sector and it generally protects public funds from abuse.

Abatement of pension ('Abatement') is the withdrawal or reduction in pension where the pensioner is re-employed anywhere in local government. It can be applied if an employee's combined pension and new salary in their new post, exceeds their gross salary when they retired. The purpose of Abatement is to protect public funds.

Abatement can be applied to Firefighters who are re-employed following retirement. Where this occurs and the individual concerned is receiving annual remuneration plus annual pension which is in excess of the remuneration received immediately prior to retirement, WFRS will consider whether their pension in payment should be reduced proportionately so that the maximum level of previous salary (plus inflation) is not exceeded. Each case will be considered on its merits, and the individual concerned will be given an opportunity to make representations as to why their pension should not be abated, which will be considered as part of the decision-making process.

There is no age limit on Abatement, and where a decision is made to abate the pension this will continue for the full period of re-employment by a Fire and Rescue Authority or Local Authority in any capacity. The full pension will be reinstated when the relevant employment ends.

Abatement only applies to the Firefighters Pension Scheme 1992, Firefighters Pension Scheme 2006 and the Firefighters Compensation Scheme 2006. It does not apply to the Firefighters Pension Scheme 2015.

## **2.5 Individual responsibilities relating to Abatement**

It is the individual's responsibility to take advice, and understand the implications of the Abatement rules.

Individuals who have previously retired from the Service and are subsequently re-employed by the Service or the wider County Council (or another Local Authority or Fire and Rescue Service) should be aware that Abatement may be relevant. They are advised to contact their Pension Service, seek independent financial advice and inform the Recruiting Manager of their new role.

Firefighters who are re-employed following retirement are also required to declare to the Council (or any other relevant employer) that they are in receipt of a Fire Service pension.

**Any overpayments of pension that result from a decision to abate the pension will be recovered, so it is in the pensioner's interests to declare their employment as soon as possible.**

### **Supporting Information**

#### 3.1 Protected Pension Age – Implications for Re-employment of FPS Pensioners (1992 Scheme)

Under the Finance Act 2004, the Minimum Pension Age (MPA) rose to age 55. Members of the Firefighter's Pension Scheme 1992 have a right to retire from age 50 (provided they have 25 or more years of pensionable service). This right to retire at an age below 55 is protected and on retirement, members will receive a Protected Pension Age (PPA).

An individual who retires with a PPA and who subsequently takes up employment will lose that protection if they are employed by one of the following employers **and** one of the employment conditions listed below is not met.

- An employer who employed the individual in the six months before benefit entitlement arose, and who was also a sponsoring employer in the scheme under which benefit entitlement arose in that six month period.
- Any person connected with the employer described in the previous bullet point. Note that under this condition the person employing the individual does not need to be a sponsoring employer.
- Any sponsoring employer in the pension scheme under which benefit entitlement arose that is connected with the individual.

Therefore, an individual who has retired with a PPA and is subsequently re-employed by WFRS will lose their Protected Pension Age from the date they are re-employed and will incur additional tax charges on all pension benefits, including any commuted lump sum, paid to them unless one of the following re-employment conditions is met:

#### 1. A break in employment of at least six months

If the individual is not employed after taking their benefits by any of the employers mentioned above within the six months after becoming entitled to benefits, they do not lose their protected pension age regardless of any subsequent employment.

#### 2. A break in employment of at least one month and benefits may be abated.

An individual taking benefits from a public service pension scheme who, after one month following becoming entitled to benefits, becomes employed by any of the employers mentioned above will not lose their protected pension age if their scheme pension is liable to be reduced by abatement. The pension does not have to be actually reduced, just liable to abatement.

For example, Judy takes benefits from public service scheme X. After 1 month, Judy returns to work for Employer X but for reduced hours. Judy's pension and new pay level are considered by the scheme to see if her pension should be abated. Judy's pension does not need to be reduced, but because it was considered for abatement and could have been reduced, Judy keeps her protected pension age for the benefits in payment.

### 3. A break in employment of at least one month and the re-employment is materially different

An individual taking benefits who, after one month following becoming entitled to benefits, becomes employed by any of the employers mentioned in the 3 bullet points above will not lose their protected pension age if the new employment is materially different in nature. A simple change in hours will not be a materially different employment. To be a materially different employment the duties and/or the level of responsibility in the new employment must be different from those in the old employment. This condition no longer needs to be met six months following the individual becoming entitled to benefits.

### 3.2 Firefighters Pension Scheme Examples

#### Example 1

A Firefighter in the FPS aged 53 with 30 years' experience wishes to receive their pension but carry on in work. They have a good attendance and discipline record and they have a skill (e.g. USAR or EFAD) which is in short supply so WFRS would continue to benefit from their services. The Service agrees to allow them to retire and be re-engaged as a Firefighter. They receive their lump sum pension payment, and salary only as a Firefighter following re-engagement.

A decision is made that their ongoing pension payments will be abated whilst they continue in employment as a Firefighter, however, on retirement from their re-engaged post, they revert to full pension entitlement. They also choose to opt into the New Firefighters' Pension Scheme in respect of their re-engaged position.

#### Example 2

A Crew Manager in the FPS aged 55 wishes to carry on working after 55, but with less responsibility and reduced working hours. WFRS has a vacancy for 50% of a Firefighter position at a Day Crewed station that cannot be immediately filled. The Crew Manager has a good attendance and discipline record, and a good level of skill and experience. WFRS agrees for the Crew Manager to retire from their current role, and re-engages him/her as a Firefighter based on 50% of a fulltime firefighter. The Crew Manager receives his/her pension lump sum, the salary payable for a Firefighter and their on-going pension payments.

#### Example 3

A regular Firefighter aged 50 retires from the Service with 30 years' service and receives their pension from the FPS 1992 scheme. The firefighter re-engages in employment with the Service as an On Call Firefighter following a break of employment of 1 month. The firefighter receives their lump sum, the salary payable for an On Call Firefighter and their ongoing pension payments. When considered, the total of pension payments and On Call Firefighter salary does not exceed their previous pay and no abatement of pension is made.

#### Example 4

A regular Firefighter retired from the Service and received their pension from the FPS 1992 scheme. The individual applies for and is successful in obtaining a Green Book role within the Council after a break in service lasting longer than 1 month. The Green Book role is 'materially different in nature' to the individual's Grey Book role. Consideration of abatement will apply.



## Appendix 2: FOR APPROVAL

Re-employment following Retirement Service Order  
Amended: December 2022

3.3 [Informal Abatement Guidance](#)

3.4 Virtual Fire Station Service Order (*Link to be added when this SO agreed*)

Responsible Person: Assistant Director Governance & Policy



## Staff and Pensions Committee

12 December 2022

### Pensions Administration Activity and Performance Update

#### Recommendation

That the Committee endorses and comments on the report.

#### 1. Executive Summary

- 1.1 This report updates the Committee 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 We continue to promote the use of MSS with our pension scheme membership and currently have 27% (8,085) of eligible members signed up to use the online facility. This is up 6% from the last time we reported to the committee.
- 4.2 In the new year we will be contacting our pensioner members to introduce the facility to them. Pensioners will be able to see the current value of their pension in payment and update their personal details.
- 4.3 We will use the following platforms to promote the service: Working for Warwickshire, digital newsletter, Employer newsletter, banner on team members' email signature and individual member correspondence by letter, email, or telephone.

- 4.4 From data analytics we will be able to identify where there is low take up and provide targeted communications to try and increase the take up in these areas.

## 5. Key Performance Indicators (KPIs)

- 5.1 Appendix 1 shows the KPI performance for the period 1 April 2022 to 30 September 2022. The KPIs and target timescales are listed in Appendix 2.8 out of 14 KPIs, 8 are meeting their target and the remaining 6 have all seen improvements in the total number of cases being completed within the KPI deadline, there is only 1 KPI which is below 80%.

- 5.2 For KPIs that are not being achieved:

KPI 1 - The team continue to work on improving the number of cases that are processed within the KPI timescale. This has increased from 52.56% in 2021/22 to 64.45% in 2022/23. We are noticing an increase in volume of work in this area.

KPI 2 - This has dropped slightly compared to previous months but remains close to the KPI target of 95%.

KPI 3 – The team continues to improve the number of cases that are processed within the KPI timescale. This has increased from 87.93% in 2021/22 to 92.52% for 2022/23.

KPI 4 – This has dropped slightly compared to previous months but remains close to the KPI target of 95%.

KPI 8 & 9 - A review of the current processing of these KPI's has highlighted an issue where two workflow processes are linked. This is leading to delays in the time taken to process the two different KPIs:

- Process 1 (KPI 8) - money due to the estate/reclaiming overpaid pension
- Process 2 (KPI 9) - calculation of dependant's benefits

Due to the delays in getting information needed from the Executor of an estate regarding a balance of pension or an overpayment we have decided to redesign this process.

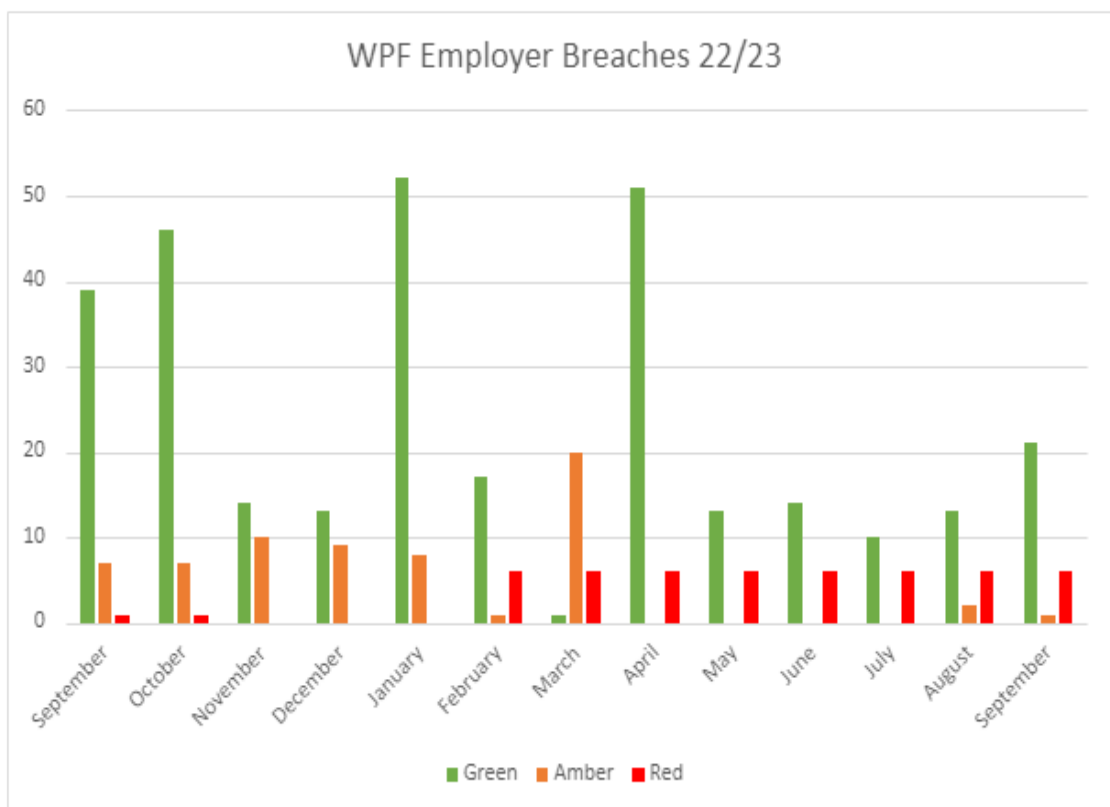
Through the summer months we have been working on Annual Benefit Statements, implementation of Member Self Service, 2022 Valuation and Pension Saving Statements. This has meant at certain times staff have been redirected to work on projects rather than their own work lists. We have prioritised payment of benefits.

## 6. Workloads

- 6.1 The PAS continue to monitor work being received by the team and ensure we have the resources to manage the work.
- 6.2 Current figures indicate that the team have 2,851 live tasks outstanding up to 30 September, this has reduced by approx.700 since 30 June. 27,340 tasks have been completed this year.

## 7. Breaches

- 7.1 In accordance with the Fund’s Breaches Policy, any amber breach results in direct contact with the employer responsible to resolve the issue. If this does result in the necessary action required, further escalation can be used.
- 7.2 The table below indicates the number of breaches the Fund has recorded for the period 1<sup>st</sup> April 2022 to 30 September 2022:



- 7.3 The red breaches listed relate to one Multi Academy Trust which has 6 schools in the fund. We are working with the MAT to ensure all future contributions and data are received on time. We have now received the majority of outstanding data and payment of contributions; however, the MAT remains a red breach while payment and i-Connect data is reconciled.
- 7.4 It is worth noting that the greatest number of employers in the fund are Academies. In respect of these employers, we have noticed that green

breaches tend to increase at the beginning of a new term, January, April (new financial year) September, October. These are extremely busy times for schools.

## **8. Valuation**

- 8.1 The Fund held its Annual General Meeting (AGM) on 4<sup>th</sup> November and shared with Fund Employers the new individual employer contributions rates which will come into force from 1<sup>st</sup> April 2023. There have been no significant increases in employer contribution rates.

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

- 9.1 The Fund has no outstanding IDRP cases.
- 9.2 Earlier in the year, we have received two stage 1 cases relating to members who had transferred their Local Government Pension Scheme benefit to another pension provider. Both cases were deemed to be outside of the 6-month window to raise an IDRP, and one has since been referred to the Pensions Ombudsman.

## **Appendices**

Appendix 1 – Key Performance chart  
Appendix 2 – Key Performance indicators

## **Background Papers**

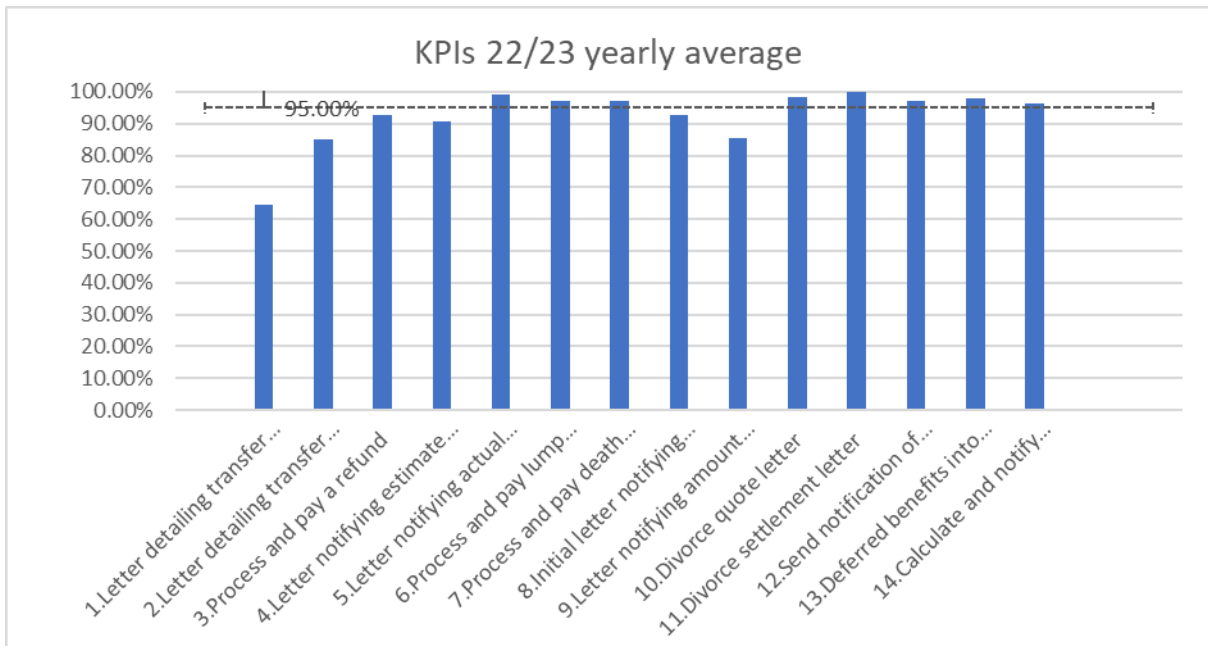
None

	<b>Name</b>	<b>Contact Information</b>
Report Author	Lisa Eglesfield, Victoria Jenks, Ian Morris, Nina Parekh, Alistair Wickens	lisaeglesfield@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk, ianmorris@warwickshire.gov.uk, ninaparekh@warwickshire.gov.uk, alistairwickens@warwickshire.gov.uk
Assistant Director	Andrew Felton	andyfelton@warwickshire.gov.uk
Strategic Director	Strategic Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

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

Local Member(s):

Other members: Cllrs Peter Butlin, Bill Gifford and Andy Jenns



## Appendix 2

Key Performance Indicator	Fund Target
Target performance	95%
1.Letter detailing transfer in quote	10 days
2.Letter detailing transfer out quote	10 days
3.Process and pay a refund	10 days
4.Letter notifying estimate of retirement benefits (Active)	15 days
5.Letter notifying actual retirement benefits (Active)	15 days
6.Process and pay lump sum (Active)	10 days
7.Process and pay death grant	10 Days
8.Initial letter notifying death of a member	5 days
9.Letter notifying amount of dependents benefits	10 days
10.Divorce quote letter	45 days
11.Divorce settlement letter	15 days
12.Send notification of joining scheme to member	40 days
13.Deferred benefits into payment	15 days
14.Calculate and notify deferred benefits.	30 days

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## Staff and Pensions Committee

12 December 2022

### Employers Leaving and Joining the Warwickshire Pension 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

- Harbury C of E Primary School, 01/09/2022 (Arden Forest MAT)
- English Martyrs Catholic Primary School, 01/09/2022 (Our Lady of the Magnificat)
- Our Lady and St Teresa Catholic Primary School, 01/09/2022 (Our Lady of the Magnificat)
- St Augustine's Catholic Primary School, 01/09/2022 (Our Lady of the Magnificat)
- St Marie's Catholic Primary School and Nursery, 01/09/2022 (Our Lady of the Magnificat)
- St Marys Catholic Primary School, 01/09/2022 (Our Lady of the Magnificat)

#### New Employers

- None for this period

## 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.

## **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 2021

## **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 If 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. None

	<b>Name</b>	<b>Contact Information</b>
Report Author	Vicky Jenks Alistair Wickens	vickyjenks@warwickshire.gov.uk, Alistairwickens@warwickshire.gov.uk
Assistant Director	Andrew Felton	andrewfelton@warwickshire.gov.uk
Lead Director	Strategic Director for Resources	robpowell@warwickshire.gov.uk
Lead Member	Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

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

Local Member(s): None

Other members: Cllrs Peter Butlin, Bill Gifford, and Andy Jenns

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## **Staff and Pensions Committee**

**12 December 2022**

### **Review of the Minutes of the Warwickshire Local Fire Pension Board Meetings of 6 June 2022 and 10 October 2022**

#### **Recommendation**

That the Staff and Pensions Committee notes and comments on the minutes of the meetings of the Warwickshire Fire Local Pension Board held on 6 June 2022 and 10 October 2022.

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

- 1.1 Set out at appendices 1 and 2 are the minutes of the Warwickshire Fire Local Pension Board meetings held on 6 June 2022 and 10 October 2022, for information.

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

- 2.1 None

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

- 3.1 None

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

- 4.1 None

#### **Appendices**

- 1. Appendix 1 – Minutes of the Warwickshire Fire Local Pension Board meeting of 6 June 2022
- 2. Appendix 2 – Minutes of the Warwickshire Fire Local Pension Board meeting of 10 October 2022

	<b>Name</b>	<b>Contact Information</b>
Report Author	John Cole	johncole@warwickshire.gov.uk Tel: 01926 736118
Assistant Director, Finance	Andrew Felton	andrewfelton@warwickshire.gov.uk
Strategic Director for Resources	Rob Powell	robpowell@warwickshire.gov.uk
Portfolio Holder for Finance and Property	Councillor Peter Butlin	peterbutlin@warwickshire.gov.uk

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

Local Member(s): not applicable

Other members: none

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

Monday 6 June 2022

## Minutes

### Attendance

#### Committee Members

Martin Reohorn (Chair)

Paul Morley

#### Officers

Liz Firmstone, Service Manager (Transformation)

Victoria Jenks, Pensions Admin Delivery Lead

Andy Carswell, Democratic Services Officer

Martin Griffiths, Technical Specialist – Pensions Fund Policy and Governance

#### Others Present

Helen Scargill, West Yorkshire Pension Fund

Matthew Mott, West Yorkshire Pension Fund

### 1. General

There were insufficient numbers present for the meeting to be quorate. It was therefore agreed that items would be for noting and the Board would not be in a position to make formal binding decisions on any of the items.

#### (1) Apologies

Apologies were received from Sian Marsh, Caroline Jones, Barnaby Briggs and Lisa Eglesfield.

#### (2) Board Members' Disclosures of Interest

There were none.

#### (3) Public Minutes of the Previous Meeting

As the meeting was not quorate the minutes of the previous meeting could not be agreed. The item was deferred to the next meeting.

## **2. Update report for the transfer of Firefighter Pensions Schemes administration and Pensioner Payroll**

The Board were reminded that administration of the Warwickshire Fire and Rescue Pension schemes had been transferred to the West Yorkshire Pension fund, and this had taken effect from April 1. The Board welcomed Helen Scargill and Matthew Mott from the West Yorkshire Pension fund to explain more. There had been a couple of minor issues and queries to resolve when the transfer was initially made, but nothing of any major significance.

The Board were informed that West Yorkshire would now be in a position to provide monthly client reports, and the first of these was due to be received the following week. The reports would contain a series of key performance indicators for the month just passed.

Paul Morley said he had been made aware of some issues regarding delays in information relating to forecasts and estimates being provided to people who were seeking to retire soon. Vicky Jenks (Pensions Admin Lead) said discussions had taken place with the HR and payroll teams at Warwickshire regarding what was expected in terms of relaying this information to West Yorkshire when it was requested. It was accepted that improvements needed to be made to the internal process to ensure the information was sent to West Yorkshire in a timely manner. There had been no change in terms of how the information was updated and who was responsible for it, but there had been changes to how it was processed as it needed to be sent to a different administrator. At the moment the client information held by West Yorkshire was accurate up to February 28; additional information would be required from HR and payroll at Warwickshire if a member indicated they wished to retire in 6-18 months' time.

Regarding annual benefit statements, it was confirmed that going forward this would be handled by West Yorkshire. However Helen Scargill said she did not think all of the relevant information required to do this had yet been sent across. The deadline for sending annual benefit statements was August 31. Vicky Jenks said payroll had been chased to ensure the information is sent across to West Yorkshire as soon as possible. It was expected to be updated on a monthly basis going forward.

## **3. Governance and Regulatory Update**

Vicky Jenks told members the report provided a summary of updates in relation to the cost control mechanism; the ongoing Home Office consultation in relation to McCloud; the Matthews second exercise; the proposed pensions dashboard; and immediate detriment. Members were likely to already have a knowledge of the issues contained in the report as the information was taken from the monthly bulletins sent to Fire Pension Scheme stakeholders.

Helen Scargill said there would be some overlap between Warwickshire's latest governance and regulatory update and the monthly return report that was due to be provided by West Yorkshire the following week, as some of the information contained within it was also gleaned from the monthly update bulletins. The monthly reports from West Yorkshire are due to replace Warwickshire's governance and regulatory updates at future meetings, with two monthly reports likely to be considered each time. It was likely that Warwickshire would continue to provide policy updates at future meetings however.



Members were shown a draft of the next monthly report, which demonstrated what future reports were likely to look like. Helen Scargill drew members' attention to the item on key performance indicators and a series of tables that highlighted the work that was currently taking place and how this compared to previous months. Regarding active members, Helen Scargill highlighted that 13 members were shown to be unknown modified as there had been an issue in how their records had been converted during the system update. Now that it was known to be an issue it could be dealt with. The report also contained a section on possible pension scams, although this was unlikely to be an issue as there are limitations in place preventing Fire Pension Scheme members from transferring their pension into the type of arrangement that could be fraudulent. The monthly reports would highlight in red if there were any actions that needed to be completed by Warwickshire.

Helen Scargill said the FRA had enquired about responses to some questionnaires regarding the 2<sup>nd</sup> modified exercise and McCloud, but the West Yorkshire Pension Fund did not hold the requested information and it did not have the responsibility to reply. Regarding discretions, West Yorkshire had requested a copy of Warwickshire's policies as this was felt to be particularly important following the Ombudsman decision in relation to abatement. It was now not possible to have a blanket policy and West Yorkshire needed to know what circumstances needed to apply for a discretion to be made.

The Chair asked if future updates on the number of web registrations taking place could include a comparison to show how Warwickshire's figures compared to other Fire Authorities. Matthew Mott said this something that was unlikely to be available immediately but could potentially be provided by the autumn.

#### **4. Risk Monitoring**

Vicky Jenks told members that the risk management document would be continually reviewed and updated in relation to both Warwickshire and West Yorkshire going forward. A risk to delivery of service had previously been identified and this was why the transfer of the administration service to West Yorkshire had taken place, but the level of risk was now likely to reduce. Members were told the document included in the agenda pack was the most up-to-date version.

#### **5. Forward Plan**

Members were informed the item relating to outsourcing would be removed from the Forward Plan as this had been resolved. The Chair suggested it would be helpful to have a look at scheme discretions to help members' understanding. Vicky Jenks said attempts were being made to create a standardised discretions document. Additionally the abatement policy was being looked at by the Lead Commissioner – Strategic People Improvement following the outcome of the Ombudsman case.

The Chair said he had taken part in the recent CIPFA local Pension Board training. He said that while it had been interesting, its contents were not relevant or helpful to Fire and Rescue Pension Boards and were aimed primarily at LGPS schemes.

#### **6. Next Steps**

It was agreed that this item was not needed and would be deleted from future meeting agendas.

**7. Any Other Business**

There were no other items for discussion.

**8. Future Meeting Dates**

The dates of forthcoming meetings were noted.

**9. Reports Containing Exempt or Confidential Information**

There were no members of the public present.

**10. Firefighter Pension Schemes - immediate Detriment update**

Members received a confidential update.

The meeting rose at xxx

.....  
Chair

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

Monday 10 October 2022

## Minutes

### Attendance

#### Committee Members

Martin Reohorn (Chair)  
Barnaby Briggs  
Caroline Jones  
Sian Marsh  
Tony Morgan

#### Officers

Andy Carswell, Democratic Services Officer  
Jan Cumming, Senior Solicitor and Team Leader  
Lisa Eglesfield, Team Lead (Benefits)  
Liz Firmstone, Service Manager (Transformation)  
Victoria Jenks, Pensions Admin Delivery Lead

#### Others Present

Helen Scargill (West Yorkshire Pension Fund)

### 1. General

#### (1) Apologies

Apologies were received from Councillor Brian Hammersley, Paul Morley and Matthew Mott.

#### (2) Board Members' Disclosures of Interest

There were none.

#### (3) Public minutes of previous meetings

The minutes of the meetings held on 14 February 2022 and 6 June 2022 were approved as an accurate record.

### 2. Forward plan

The item was introduced by Vicky Jenks (Pensions Administration Delivery Lead), who reminded members that the meeting had been rescheduled from 30 September. As a result the item on abatement would be considered at the November meeting and the item on the discretions policy would be discussed in February. Members were told the November meeting date had been incorrectly listed as being on the 15 when it had been scheduled for 7 November. Vicky Jenks said the proposed training relating to Matthews had been postponed as the processes behind it had not been agreed yet.

Members noted the contents of the forward plan.

### **3. Pensions Administration activity and performance update**

The item was introduced by Vicky Jenks, who reminded members that administration for the Fund had moved to the West Yorkshire Fund from 1 April. There had been some minor issues but the transition had generally gone well, and the teams were aware of their expectations and responsibilities and staff at the West Yorkshire Fund had been quick to raise queries when needed. The major ongoing project was to identify the correct information in instances where there were inconsistencies between the details held by payroll and administration. This would look at whether any records were being paid incorrectly, and what the correct figure should be. This would be retrospectively as well as going forward.

Helen Scargill (West Yorkshire Pension Fund) said all of Warwickshire's annual benefit statements had been processed and all but one had been released by 31 August, and the year end return had been completed. The one that had missed the deadline had been due to a payroll issue with a previous Fire and Rescue Authority that the scheme member worked for before transferring to Warwickshire. Helen Scargill said there had been some issues in terms of required data content and quality but the situation was now improving and the returns were being completed on a monthly basis. An update would be provided at the next meeting.

Regarding pension saving statements, Helen Scargill said there had been 18 instances of scheme members breaching the allowance threshold in the previous tax year. Of these, 15 had been notified before the 6 October deadline and the remainder needed confirmation of pay before the final calculation could be carried out. However this would not result in a breach for missing the deadline as the legislation stated it could be completed within three months of receiving all the required financial information.

Members were told that the West Yorkshire Fund had recently recruited a new pension administration representative, although there had been a desire to recruit two. This allowed an existing representative to take a new role focusing on Fire Pension administration. Training could be offered to anyone in Fire and Rescue Services who handled pensions materials. Helen Scargill informed members that a full disaster recovery exercise took place on 14 September and this had been successful. A report was being compiled by the Fund's Head of IT and would be made available to Warwickshire when complete.

When the annual benefit statements were issued, members were also informed there was information regarding pensions available online. This included the My Pensions portal, with a guide being sent to members on how to register and navigate the website.

Helen Scargill said there were two types of data held by the Pension Administrator. Common data referred to things such as date of birth or National Insurance number, whereas specific data related to details that were solely relevant to the fire scheme and pensions history. There was quite a lot of missing information from the 2006 data, although this was mainly from the scheme members' home addresses not being known. All of the common data for the modified 2015 data was complete and 25 per cent of the scheme specific information was missing for 2015 modified members, although Helen Scargill clarified this only related to three individuals. Barnaby Briggs and Tony Morgan said they were both happy to assist with helping to supply missing information if possible. Helen Scargill said that West Yorkshire are just data processors for Warwickshire, therefore the information belongs to Warwickshire. Information regarding members where addresses were not up to date could be shared with Warwickshire to see if members could be traced. Responding to a question from the Chair, Helen Scargill said the overall scores were towards the lower end compared with other clients. However she said many of the issues related to conflicting start dates for members of the modified scheme and this did not represent a cause for alarm as this would not affect the calculation of benefits. It was acknowledged some authorities would pass their data as being acceptable as the missing data did not make a material difference to its accuracy, whereas West Yorkshire Pension Fund would not pass it even if there was a small difference in the data.

The Chair noted that, according to the data, the number of members had dropped from 1,400 to 1,100. Helen Scargill explained this was from duplicates from more than one data set being merged together, and 1,100 was now the correct membership number.

Members noted the contents of the report.

#### **4. Regulatory and Policy Update**

The item was introduced by Vicky Jenks, who said that although the abatement policy would be discussed at the next meeting, it would also come back in February after being discussed at December's Staff and Pensions Committee. It needed to be updated in line with the Ombudsman ruling so that it was not a blanket policy, as cases should be looked at on an individual basis. The policy was being worked on by the HR advisory team. Regarding issues surrounding McCloud and immediate detriment, Vicky Jenks said Warwickshire was now paying Category 1 cases for anyone retiring between now and October 2023, after the previous decision to pause payments. Barnaby Briggs (Assistant Chief Fire Officer) said he was aware discussions about a possible class action relating to immediate detriment were taking place. He added that as his pension was an immediate detriment case he needed to declare an interest and would not take part in the vote on the recommendation.

The Chair asked for clarification that additional costs to the Council had been considered when making the decision to unpause payment of Category 1 cases. Vicky Jenks confirmed the LGA spreadsheet calculator had been used to assess costs per individual case and this had formed part of the report to the Scheme Manager in order to make a decision.

It was resolved that members noted the contents of the report and endorsed the decision regarding the payment of Category 1 cases in relation to immediate detriment.

#### **5. Risk Monitoring**

Vicky Jenks told members that the data quality scores for pensioner, payroll and administration records was now being included as an item on the risk register. The Chair said he would like to receive some training to improve his understanding of how the risk scoring matrix rationale worked, as it was different from the ones he was familiar with.

Members noted the contents of the risk register.

## **6. Any Other Business**

Barnaby Briggs asked if there was an update on the retirement pathway process. Lisa Eglesfield (Team Lead, Benefits) said the last steps of the process were being worked on and it was due to be completed and signed off the following day. She said there were two sets of pathways; one related to those affected by immediate detriment and those who were not, and the other set of pathways related to those who had to retire on the grounds of ill health and those who had not.

Vicky Jenks said in future it should be easier for members to access their information regarding their pension now that the supply of data between the Warwickshire and West Yorkshire Funds was improving and people were clearer on their responsibilities.

Regarding the annual benefit statement that had not been issued before the deadline, the Chair said this did not amount to a reportable breach. He said this would be noted as a technical breach instead. Vicky Jenks said the member in question had been informed of the delay and was satisfied with the explanation for it.

The Chair said he would be attending the upcoming LGA Fire Pensions Conference and he would report back on what happened.

## **7. Future Meeting Dates**

Members noted the future meeting dates.

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

Resolved: To approve the motion to exclude the public.

## **9. Exempt Minutes of the Previous Meeting**

The exempt minutes of the meeting held on 6 June were approved as an accurate record.

The meeting rose at 11.09am

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Chair

## **Staff and Pensions Committee**

**12 December 2022**

### **Regulatory and Policy Update**

#### **Recommendations**

That the Committee:

1. Notes and comments on the updates contained in this Report.
2. Endorses the draft Corporate Governance Statement of the Warwickshire Pension Fund and authorises the Strategic Director for Resources to finalise the statement in consultation with appropriate persons.
3. Approves the amendments to the Admission and Termination, Conflicts of Interest and Cyber Security Policies of the Warwickshire Pension Fund.

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

- 1.1 This Report sets out proposals to amend a number of policies held and operated by Warwickshire Pension Fund (the Fund). The Fund reviews its policies annually to ensure that they remain fit for purpose. Any significant changes to a policy will be noted in the body of this Report.
- 1.2 This Report also provides a regulatory update of issues that have arisen in the Local Government Pension Scheme (LGPS) arena over the period the last 3 months

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

- 2.1 There are no financial implications arising directly from this report. Any implications arising from changes to specific policies have been dealt with in the body of the report.

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

- 3.1 There are no environmental implications arising directly from this report.

## 4. Supporting Information

### ***Admission and Termination Policy (Appendix 1)***

- 4.1 A report was brought to this Committee previously setting out proposed changes to the Admission and Termination Policy, which was awaiting review by Hymans Robertson, the Fund's actuary. That review has now taken place and new policy is included within this Report and Officers ask for its approval.
- 4.2 No major changes have been made, but it does now link in directly to the revised Funding Strategy Statement.
- 4.3 Members are asked to approve the revised policy

### ***Conflicts of Interest Policy (Appendix 2)***

- 4.4 The Conflicts of Interest Policy has been reviewed by Fund Officers. The previous policy held by the Fund only referred to the Local Pension Board, with the Council's corporate policies covering elected Members and Officers. It is expected that one of the recommendations of the Scheme Advisory Board 'Good Governance Review' will be that each Fund should have its own Fund specific policy document, covering all relevant governance bodies, and the Fund has chosen to adopt that approach early.
- 4.5 Care has been taken with appropriate internal advice sought to ensure that the proposed revised Conflicts of Interest Policy for the Fund does not conflict with those already in place for the Council.
- 4.6 Members are asked to approve the revised policy.

### ***Cyber Security Policy (Appendix 3)***

- 4.7 The Cyber Security Policy has been reviewed by Fund Officers with support from Risk and Compliance Officers. Following that review, only one amendment is considered to be necessary. This amendment is the inclusion of an additional statement covering the regular meetings now held with the Risk and Compliance Team, ICT and the Fund discussing all aspects of cyber security. To ensure that the Council can comply with its duties to take all necessary steps to safeguard data, this appendix has been classified as exempt from public disclosure.
- 4.8 Members are asked to approve the revised policy.

### ***Corporate Governance Policy Statement (Appendix 4)***

- 4.9 The Fund's Corporate Governance Policy Statement has been updated following its scheduled annual review and appropriate internal advice has been taken on the proposed changes. The key changes are:



- i.) Amendments are being made to ensure that the Statement is fully compliant with the requirements of the UK Stewardship Code moving forward.
  - ii.) Additional information on the governance arrangements of Border to Coast Pension Partnership and Fund Training have been added; and
  - iii.) The delegation of functions has been reviewed to ensure that they reflect current constitutional delegations.
- 4.10 The Statement will be approved by the Strategic Director for Resources (in consultation with appropriate persons) following the approval of the Committee to the proposed changes.
- 4.11 The Committee is asked to note that this Statement may require further changes once the Scheme Advisory Board (SAB) releases the results of their Good Governance Review.

### ***Regulatory and LGPS Update***

- 4.12 The Fund continues to provide a summary of any regulatory and general updates on a monthly basis to Members. The key areas to report are as follows:

i.) **Survey on upcoming climate risk reporting regime**

On 5 October 2022, LGA emailed administering authorities in England and Wales, inviting them to complete a survey on the upcoming climate risk reporting regime. Fund Officers will be submitting a response to this Survey.

The Department for Levelling Up, Housing and Communities launched a consultation on 1 September 2022. The consultation proposes to introduce a climate risk reporting regime for administering authorities in England and Wales. The consultation closes on 24 November 2022.

The SAB is undertaking the survey to understand administering authorities' readiness or apprehension about the proposed changes. The results from the survey will shape the SAB's response to the consultation.

ii.) **Academy guarantee information**

On 14 October 2022, the Department for Education published an updated version of its policy paper on the academy guarantee. It also recently published a departmental minute on the issue.

The information contained in the documents is aimed at academy trusts, administering authorities and actuaries, and follows the Government's recent review of the guarantee.

It is clear that the Government expects administering authorities to recognise the direct government backing provided by the guarantee and to continue to treat academies equitably with local authority-maintained schools when setting employer contribution rates and deficit recovery periods.

iii.) **Draft dashboard regulations laid for approval**

On 17 October 2022, Department for Work and Pensions laid a draft of The Pensions Dashboard Regulations 2022 before each House of Parliament. The

regulations will only become law if each House approves the draft by a resolution.

The House of Lords will consider the regulations on 15 November 2022. As yet, no date has been set for this to happen in the House of Commons.

The draft regulations laid before each House have been amended to reflect responses to the consultations undertaken

iv.) **Data request on opt outs**

On 11 October 2022, the LGA emailed administering authorities in England, Scotland and Wales with a request for data on the number of members opting out or moving to the 50/50 section of schemes. The email was sent on behalf of the Scheme Advisory Board (SAB).

The data will allow the SAB to understand the extent to which the cost-of-living crisis is changing members' behaviour. The data will also help the SAB to decide whether a more substantial data gathering exercise is required. This would capture data that is only likely to be held by employers. The SAB expects to rerun the exercise early next year

v.) **Scheme Advisory Board responds to HM Treasury's consultation on exit payments**

The SAB recently responded to HM Treasury's consultation on draft guidance for an expanded approvals process for certain exit payments. The consultation closed on 17 October 2022.

The draft guidance sets out an approvals process for exit payments higher than £95,000 (which would require approval by the relevant Secretary of State) and for any special severance payment (which would require approval by HM Treasury). Where a special severance payment is over £95,000, approval by both the Secretary of State and HM Treasury would be required. It is also proposed that there are terms agreed for the recovery of special severance payments in certain cases, where an individual is re-employed.

The guidance is intended to apply mainly to central government departments, but it appears it would also apply to academy trusts.

In particular, the SAB has requested clarity in relation to the application of the proposals to academy school staff. The SAB also recommended that pension strain costs arising upon redundancy be excluded from the scope of any calculation on the basis that these are statutory payments that the scheme employer is required to make.

The full SAB response is available at:

[https://lgpslibrary.org/assets/cons/nonscheme/20220808\\_SAB\\_response\\_exit\\_pay\\_consultation.pdf](https://lgpslibrary.org/assets/cons/nonscheme/20220808_SAB_response_exit_pay_consultation.pdf)

vi.) **CPI Rate – 10.1%**

On 19 October 2022 the Office for National Statistics announced the Consumer Prices Index (CPI) rate of inflation for September 2022 as 10.1%. It was also confirmed in the Autumn Statement that the State Pension will be uprated by inflation, in line with the commitment to the Triple Lock.

vii.) **McCloud**

It was understood that DLUHC would be issuing a response to their 2020 consultation in the autumn of 2022. This consultation relates to the draft regulations to implement the McCloud remedy. It is now expected that this will be delayed until the spring of 2023 which may impact on the timetable for implementing the regulations.

**Appendices**

Appendix 1 - Admission and Termination Policy

Appendix 2 - Conflicts of Interest Policy

Appendix 3 - Cyber Security Policy (Exempt)

Appendix 4 - Corporate Governance Policy Statement

	<b>Name</b>	<b>Contact Information</b>
Report Author	Martin Griffiths, Victoria Jenks	martingriffiths@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk
Assistant Director	Andrew Felton Assistant Director for Finance	andyfelton@warwickshire.gov.uk
Strategic Director	Rob Powell Strategic Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Peter Butlin Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

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

Local Member(s): not applicable

Other members: Councillors Andy Jenks and Bill Gifford

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# Warwickshire Pension Fund

## Admissions and Termination Policy

# WARWICKSHIRE

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# pension fund

**Version:** 3

**Date Issue:** October 2022

**Reference:** WPF-ATP

**Team:** Warwickshire Pension Fund

**Protective Marking:** Public

## Warwickshire Pension Fund - Admissions and Termination Policy

### 1 Introduction

- 1.1 Warwickshire County Council is the administering authority for the Warwickshire LGPS Pension Fund (the "Pension Fund").
- 1.2 The administering authority is responsible for determining who may be admitted as a 'scheme employer' in the Pension Fund.
- 1.3 The Pension Fund is governed by legislation, mainly the Local Government Pension Scheme Regulations 2013, as amended from time to time (the "Regulations"). The Regulations set out criteria for admission to the Local Government Pension Scheme, which also afford the Pension Fund some discretion.
- 1.4 This policy seeks to clarify the basis on which the Pension Fund allows admission and may reject, withdraw, or terminate admission, having regard to the Regulations and the discretion afforded under them.
- 1.5 This policy seeks to clarify where charges will be applied for work undertaken by the Actuary and or Fund for new admissions and terminations

### 2 Scheme Employers

#### 2.1 Scheduled Bodies

- 2.1.1 The Regulations set out certain employers who have an automatic right to participate as 'scheme employers' within the Pension Fund. These bodies will still need to make an application to the administering authority but provided the requirements of the Regulations are met, the body will be admitted, and their employees will have an automatic right to join. The administering authority refers to these as "Scheduled Bodies".
- 2.1.2 Those bodies are listed in Schedule 2 of the Regulations within Parts 1, 2 and the second column of the table in Part 4, which are reproduced at Annex A of this policy.
- 2.1.3 Without prejudice to paragraph 2.1.1, the administering authority may ask a Scheduled Body for evidence of their internal authority to join the Pension Fund, for example, any resolution that has been passed in relation to LGPS membership or minutes of a meeting granting approval (if applicable).

#### 2.2 Admission Bodies

- 2.2.1 In addition to those bodies listed in the Regulations, the administering authority may make an admission agreement with other bodies who meet certain criteria. These criteria are set out in Paragraph 1 of Part 3 of Schedule 2 of the Regulations and are reproduced in Annex B of this policy.
- 2.2.2 These bodies must make an application for admission to the Pension Fund, which will be determined in accordance with this policy. If the application is accepted, then the body will be admitted to the Pension Fund and must enter into an admission agreement to formalise the terms on which they are entitled to participate within the Pension Fund.
- 2.2.3 Admission bodies are subject to the requirements of the Regulations and must follow them in order to participate in the Pension Fund.

## Warwickshire Pension Fund - Admissions and Termination Policy

### 2.3 Community Bodies

2.3.1 The bodies that meet the criteria as set out in (a), (b), (c) and (e) of Paragraph 1 of Part 3 to Schedule 2 are referred to by the administering authority as “Community Bodies”. The administering authority does not have to accept an application from a Community Body, even if they meet the criteria within the Regulations, although it will normally seek to do so provided that such admission does not pose a risk to the Pension Fund.

2.3.2 In addition to the legislative requirements, the following matters will be considered by the Staff and Pension Committee, following advice from the Head of Pensions in relation to whether or not a Community Body will be admitted:

1. How many potential scheme members there will be – the administering authority will normally expect there to be at least 10 potential members
2. Whether the body will receive direct funding from a Scheduled Body and what limitations on that funding there may be
3. Whether there is a Scheduled Body or other appropriate form of guarantor that is sponsoring the prospective Community Body – the administering authority would normally expect a Scheduled Body to sponsor the application and to guarantee in writing the pension liabilities of the prospective Community Body should they be admitted, although the Fund may consider alternative guarantors where it is believed to be appropriate in terms of risk to the Fund and other participating employers. The financial viability of the prospective Community Body – the administering authority may reject an application if it considers that admitting the body may pose financial risk to the Pension Fund

### 2.4 Transferee Bodies

2.4.1 Those bodies that meet the criteria set out in (d) of Paragraph 1 are referred to by the administering authority as “Transferee Bodies”. These are bodies that are providing or will provide a service or assets in connection with the exercise of a function of a Scheduled Body as a result of the transfer of the service or assets by means of a contract or other arrangement.

2.4.2 For the purposes of this paragraph 2.4.2, the administering authority considers that it will normally be the “relevant administering authority” where the Scheduled Body that the Transferee Body is performing the function on behalf of (the “Letting Employer”) is located within Warwickshire. Where the administering authority is the relevant administering authority, it must accept an application from a Transferee Body where that body has undertaken to comply with the Regulations.

2.4.3 There are specific requirements within the Regulations that apply to Transferee Bodies only, including the following:

1. The Letting Employer must be a party to the admission agreement; and
2. If the Transferee Body is performing more than one contract, then the Transferee Body must enter into an admission agreement for each one.

## Warwickshire Pension Fund - Admissions and Termination Policy

2.4.4 It is also a requirement of the Regulations that an admission agreement with a Transferee Body includes the following provisions:

1. That only employees that are employed in connection with the service for the Letting Employer are entitled to be members of the Pension Fund
2. The details of the contract with the Letting Employer
3. An agreement that the Letting Employer may set off against any sums due to the Transferee Body, any sums due to the Pension Fund under the Regulations
4. A requirement that the Transferee Body keeps under review, to the satisfaction of the administering authority and the Letting Employer, its assessment of the level of risk
5. A requirement that copies of notifications that are due to be provided to the administering authority are provided to the Letting Employer also
6. That a copy of the admission agreement be available for inspection at the Letting Employer's office

2.4.5 The administering authority expects to be advised of transfers well in advance of the transfer taking place and where possible, be provided with an accurate list of those employees transferring.

2.5 Risk assessment for new admission bodies

2.5.1 An admission body must carry out, to the satisfaction of the administering authority and, in the case of transferee admission bodies, the Letting Employer, an assessment of the level of risk arising on premature termination. In practice, the fund actuary assesses this because the assessment must be carried out to the administering authority's satisfaction.

2.5.2 After considering the assessment, the administering authority may decide the admission body must provide security, such as a guarantee from the letting employer, an indemnity, or a bond.

2.5.3 This must cover some or all of the:

1. strain costs of any early retirements, if employees are made redundant when a contract ends prematurely
2. allowance for the risk of assets performing less well than expected
3. allowance for the risk of liabilities being greater than expected
4. allowance for the possible non-payment of employer and member contributions
5. admission body's existing deficit.

2.5.4 Unless there are exceptional circumstances, the administering authority will always expect there to be a bond or guarantee in place.



## Warwickshire Pension Fund - Admissions and Termination Policy

### 3 The Application Process

- 3.1 A body that wishes to be admitted to the Pension Fund must provide all information requested by the administering authority in order for its application to be considered fully.
- 3.2 Officers on behalf of the administering authority will then prepare a report for consideration by the relevant committee at its next available meeting based on the information provided. It is the responsibility of the applicant body (and/or the Letting Employer in relation to a contract transfer) to ensure that the application is considered prior to the date admission is required and therefore those bodies should liaise with the administering authority in relation to upcoming meeting dates when considering submitting an application.
- 3.3 The applicant body (and the Letting Employer in the case of a Transferee Body) will be informed of the outcome of the application after the meeting where the decision is made.
- 3.4 Where the application is successful, the admission body (and/or the Letting Employer in the case of a Transferee Body) shall be responsible for providing the administering authority with a list of those employees that are to be admitted to the Pension Fund. The administering authority will specify the level of information required for administration of the process. This information will need to be provided within sufficient time for the Pension Fund's actuary to calculate the opening position, contribution rate and bond amount prior to admission. The cost of the actuary's report will be charged to the Letting Employer, in the case of a Transferee Body or the admission body/Scheduled Body, as appropriate, in other cases.
- 3.5 The administering authority will expect the admission body to pay the contribution rate and secure any bond amount as determined by the actuary. In the case of Transferee Bodies, the administering authority may consider risk sharing arrangements between the Transferee Body and the relevant Letting Employer provided that the Pension Fund's interests are protected. The administering authority shall have final determination over the level of bond or guarantee required.
- 3.6 The administering authority may consider proposals to pool employers for actuarial purposes. If an applicant body or existing admission body wishes to join an existing pool or create a new pool with similar employers, then it should notify the administering authority. Prior to agreeing to any proposals, the administering authority will seek actuarial advice. In the event that such proposals are agreed, the contribution rates for those employers will be set at the same level (if expressed as a percentage of pay) based on their aggregated notional fund assets and liabilities. For information on the fund's pooling arrangements please see section 2.5 of the Funding Strategy Statement.

### 4 The Admission Agreement

- 4.1 The administering authority has a standard form of admission agreement that it will expect admission bodies to enter into prior to being admitted to the Pension Fund (the current draft agreements are available on the pension fund's website as appropriate). This standard form incorporates the requirements within the Regulations in relation to matters that should be included in admission agreements (including those that specifically relate to Transferee Bodies as referred to at 2.4.4 above where applicable).
- 4.2 Any bond agreement should normally be entered into at the same time as the

## Warwickshire Pension Fund - Admissions and Termination Policy

admission agreement; however, there may be exceptional circumstances whereby the administering authority will permit the bond agreement to be entered into after the transfer date provided that the admission agreement is clear that a bond must be entered into.

- 4.3 In the event that the actuary has been unable to calculate the contribution rate (e.g. as a result of information not being provided in time), the admission agreement will not normally be entered into until the rate has been calculated.
- 4.4 While the Regulations enable an admission agreement to take effect on a date prior to the date it was actually executed, in circumstances where the employer contribution rate has not been confirmed by the actuary or where the admission agreement has not been entered into for any other reason, the admission body will not be entitled to participate in the Pension Fund until everything that is required to enable the admission agreement to be signed is in place. Once the admission agreement is in place then a retrospective effective date can be applied, and the admission body required to remit to the fund the necessary arrears of employee and employer pension contributions and provide the necessary membership data required by the administering authority.
- 4.4 \*Please note, the Admission Agreement templates are available on the pension funds website

## 5 Participation in the Pension Fund

- 5.1 It is a condition of admission to the Pension Fund that scheme employers operate in a manner that respects their obligations in relation to pension liabilities, including but not limited to, paying contributions in accordance with the Pension Fund's actuary's assessment.
- 5.2 In accordance with the Regulations, the actuary on behalf of the Pension Fund will carry out an assessment every 3 years and will set the level of contributions required by each scheme employer. Those contributions may be set as a percentage of pay or combination of a percentage of pay and a cash sum. Whilst the administering authority may consider representations made by any scheme employer in relation to the amount of their contributions, the administering authority's decision as to the amount (based on actuarial advice) is final.
- 5.3 In the event that a scheme employer disputes the level of contributions required, the administering authority will endeavour to resolve the dispute informally, however, where such resolution is not possible, the administering authority will refer such matters to the relevant regulator (as appropriate), in order to protect the interests of members and other scheme employers within the Pension Fund.
- 5.4 The principles, approach and methodology for setting employer contribution rates is detailed in the Fund's Funding Strategy Statement (FSS). Section 2 of the FSS provides information on the funding strategy adopted for each employer group in the fund and how rates are determined, whilst Section 5 specifically considers how contribution rates are derived for new employers admitted to the Fund. It is important any new employers and Letting Employers read these sections carefully.

## Warwickshire Pension Fund - Admissions and Termination Policy

### 5.5 Actuarial Fees

The assessment of a contribution rate, bond (where applicable) and opening position for a new scheme employer all incur actuarial fees. The Fund is not liable for these fees and will invoice the employer letting the contract for any fees incurred. If the employer has an agreement with the contractor to pay fees this is between the employer and the contractor.

For new academies, parish and town councils and community admission bodies actuarial fees will be invoiced direct to the new scheme employer.

A schedule of fees is available from the administering authority.

## 6 Termination

6.1 The admission agreement will normally specify the circumstances by which an admission body may exit (or be required to exit) the Pension Fund and become an “exiting employer”. Without prejudice to such terms, an administering authority may determine that an admission body has ceased to be a scheme employer within the Pension Fund where it no longer meets the criteria on which it was originally admitted.

6.2 It is advantageous to both the Pension Fund and the exiting employer to be able to plan for any proposed exit in order to prevent a large exit payment or exit credit (or ideally any exit payment or exit credit). If the exiting employer gives advanced notice of its participation in the Pension Fund ceasing, the administering authority will consider (in conjunction with the relevant Letting Employer if it is a Transferee Body or any Scheduled Body or alternative guarantor if it is a Community Body) whether it is appropriate to obtain a revised assessment from its actuary to adjust the exiting employer’s contributions with the aim of there being no surplus or deficit by the point at which the exiting employer exits, where pass through has not been adopted in the case of a Transferee Body.

6.3 Without prejudice to paragraph 6.2, upon exiting the Pension Fund, in accordance with regulation 64 of the Regulations, the scheme employer may be liable to pay an exit payment to the Pension Fund or may be entitled to receive an exit credit. In determining the level of any funding shortfall or surplus, and therefore the amount of any exit payment or exit credit due, the administering authority will request an actuarial assessment.

6.3.1 The fund will recharge costs of administering cessations including actuary and other cessation expenses as appropriate. Fees and expenses are at the employer’s expense and are deducted from the cessation surplus or added to the cessation deficit. This improves efficiency by reducing transactions between employer and fund. Costs will be charged even if the cessation does not go ahead.

6.4 The principles, approach and methodology for the actuarial assessment is detailed in the Fund’s Funding Strategy Statement (FSS). Section 7 and Appendix J specifically consider how terminations are assessed and managed by the Fund. It is important any new employers and Letting Employers read these sections carefully.

6.5 If the actuarial assessment identifies a funding shortfall, the administering authority has discretion over the payment of an exit credit. In applying this discretion, the administering authority will consider a number of factors including:

1. the extent of any surplus,
2. the proportion of surplus arising as a result of the Admission Body’s employer

## Warwickshire Pension Fund - Admissions and Termination Policy

contributions,

3. any representations (such as risk sharing agreements or guarantees) made by the Admission Body and any employer providing a guarantee or some other form of employer assistance/support and
4. any other factors the Administering Authority deems relevant.

6.6 There are some circumstances, however, in which it may not be appropriate to pay an exit credit, although each case will be considered on its own merits. Circumstances where payment may not be appropriate are as follows:

6.6.1 Where the body was admitted prior to 14 May 2018;

6.6.2 Where the admission body has entered into risk sharing arrangements (see paragraph 3.5 above), including pass-through arrangements, and the terms of those arrangements do not reflect an exit credit being payable to the admission body; and

6.6.3 Where the administering authority has been asked by the Letting Employer to withhold payment of the exit credit under the terms of its contract with the admission body, for the purposes of setting off any amounts due to the Letting Employer.

6.7 In the event that an employer owes any outstanding monies to the Pension Fund upon exit, the administering authority reserves the right to deduct such sums owed from any exit credit due.

6.8 If the actuarial assessment identifies a funding shortfall, payment of this amount in full would normally be sought from the Admission Body. The Fund's normal policy is that this cessation debt is paid in full in a single lump sum within 28 days of the employer being notified. The Administering Authority may agree for this payment to be spread over an agreed period via a Deferred Spreading Arrangement. However, such agreement would only be permitted at the Administering Authority's discretion, where payment of the debt in a single immediate lump sum could be shown to be materially detrimental to the employer's financial situation. Such discretion would be exercised by the Pension Committee, following advice from the Head of Pensions. In cases where payment is spread, the Fund reserves the right to require that:

1. the ceasing employer provides some form of security (such as a charge over assets, bond indemnity or guarantee) relating to the unpaid amount of debt at any given time.
2. the arrangement is covered by a legally-binding agreement.
3. any breach of the arrangement would require any outstanding exit payment to be paid immediately in full.

Further detail is set out in Appendix J5.2 of the Funding Strategy Statement.

6.9 As an alternative, where the ceasing Admission Body is continuing in business, the Administering Authority may enter into a written agreement with the Admission Body to defer their obligations to make an exit payment and continue to make Secondary contributions (a 'Deferred Debt Agreement' as described in Regulation 64 (7A)). The Admission Body must meet all requirements on Scheme employers and pay the Secondary rate of contributions as determined by the Fund Actuary until the termination of the Deferred Debt Agreement.

The Administering Authority will consider Deferred Debt Agreements in the following circumstances:

- The Admission Body requests the Fund consider a Deferred Debt Agreement;

## Warwickshire Pension Fund - Admissions and Termination Policy

- The Admission Body is expected to have a deficit when the cessation valuation is carried out;
- The Admission Body is expected to be a going concern; and
- The covenant of the Admission Body is considered sufficient by the Administering Authority.

The Administering Authority will normally require:

- Relevant financial information for the Admission Body to assist in the covenant assessment;
- Security be put in place covering the Admission Body's deficit on their cessation basis;
- Regular monitoring of the contribution requirements and security requirements;
- The agreement to be formalised in a legally-binding written document;
- All costs of the arrangement to be met by the Admission Body, such as the cost of advice to the Fund, ongoing monitoring or the arrangement and correspondence on any ongoing contribution and security requirements.

A Deferred Debt Agreement will normally terminate on the first date on which one of the following events occurs:

- the Admission Body enrolls new active Fund members;
- the period specified, or as varied, under the Deferred Debt Agreement elapses;
- the take-over, amalgamation, insolvency, winding up or liquidation of the Admission Body;
- the Administering Authority serves a notice on the Admission Body that the Administering Authority is reasonably satisfied that the Admission Body's ability to meet the contributions payable under the Deferred Debt Arrangement has weakened materially or is likely to weaken materially in the next 12 months;
- the Admission Body defaults on any payment due under the agreement;
- the Fund actuary assesses that the Admission Body has paid sufficient secondary contributions to cover all (or almost all) of the exit payment due if the employer becomes an exiting employer on the calculation date (i.e. the Admission Body is now largely fully funded on their cessation basis);
- the Fund actuary assesses that the Admission Body's value of liabilities has fallen below an agreed de minimis level and the employer becomes an exiting employer on the calculation date; or
- The Admission Body requests early termination of the agreement and settles the exit payment in full as calculated by the Fund actuary on the calculation date (i.e. the Admission Body pays their outstanding cessation debt on their cessation basis).

On the termination of a Deferred Debt Agreement, the Admission Body will become an exiting employer and a cessation valuation will be completed in line with the FSS.

Further detail is set out in Appendix J5.2 of the Funding Strategy Statement.

- 6.10 Scheduled Bodies may exit the Pension Fund in accordance with the circumstances set out in the regulations.

## Warwickshire Pension Fund - Admissions and Termination Policy

### **Annex A – Scheduled Bodies** *(List current as at the date of this policy – check the legislation for updates)*

#### Schedule 2 – Part 1

1. In England, a county council, a district council, a London borough council, the Greater London Authority, the Common Council of the City of London and the Council of the Isles of Scilly.
2. In Wales, a county council, or a county borough council.
3. A joint board, body or committee appointed under any Act or statutory order or statutory scheme, of which all the constituent authorities are councils of a description in paragraph 1 or 2 or a combination of such councils.
4. A Mayoral development corporation within the meaning of section 198 of the Localism Act 2011.
5. A fire and rescue authority within the meaning of the Fire and Rescue Services Act 2004.
6. A police and crime commissioner.
7. A chief constable within the meaning of section 2 of the Police Reform and Social Responsibility Act 2011.
8. The Commission for Local Administration in England.
9. A probation trust established under section 5 of the Offender Management Act 2007 or a National Probation Service local board.
10. The Chichester Harbour Conservancy.
11. The Lee Valley Regional Park Authority.
12. An integrated transport authority within the meaning of Part 5 of the Local Transport Act 2008.
13. The Broads Authority.
14. A further education corporation, a sixth form college corporation or a higher education corporation within the meaning of section 90 of the Further and Higher Education Act 1992.
15. The London Pensions Fund Authority.
16. The South Yorkshire Pensions Authority.
17. The Environment Agency.
18. A National Park Authority established under Part 3 of the Environment Act 1995.
19. An Education Action Forum within the meaning of section 11 of the School Standards and Framework Act 1998.

## Warwickshire Pension Fund - Admissions and Termination Policy

20. A proprietor of an Academy within the meaning of section 579 (general interpretation) of the Education Act 1996 who has entered into Academy arrangements within the meaning of section 1 (academy arrangements) of the Academies Act 2010.
21. A body set up by a local housing authority as a housing management company to exercise management functions of the authority under an agreement approved by the appropriate minister under section 27 of the Housing Act 1985.
22. The Valuation Tribunal Service established under section 105 of the Local Government Act 2003 and the Valuation Tribunal for Wales established under regulation 4 of the Valuation Tribunal for Wales Regulations 2010.
23. A conservation board established under section 86 of the Countryside and Rights of Way Act 2000.
24. A combined authority established by an order under section 103(1) of the Local Democracy, Economic Development and Construction Act 2009.
25. The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority established by the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority Order 2014.

### Schedule 2 – Part 2

1. The Board of Governors of the Museum of London.
2. A body (other than a body listed in Part 1 of this Schedule) which is—
  - a. a precepting authority within the meaning of section 69 of the Local Government Finance Act 1992 (interpretation),
  - b. a levying body within the meaning of section 74 of the Local Government Finance Act 1988 (levies), or
  - c. a body to which section 75 of that Act (special levies) applies.
3. A passenger transport executive.
4. An institution designated by an order under section 129 of the Education Reform Act 1988.
5. An entity connected with a local authority listed in paragraphs 1 to 5 of Part 1 of this Schedule where “connected with” has the same meaning as in section 212(6) of the Local Government and Public Involvement in Health Act 2007.
6. A company under the control of a body listed in paragraphs 6 to 24 of Part 1 of this Schedule  
  
where “under the control” has the same meaning as in section 68 or, as the case may be, 73 of the Local Government and Housing Act 1989 (except that any direction given by the Secretary of State must be disregarded, and any references to a local authority treated as references to such a body).
7. The Public Services Ombudsman for Wales.

## Warwickshire Pension Fund - Admissions and Termination Policy

8. The Serious Organised Crime Agency.
9. Transport for London.
10. The London Transport Users' Committee.
11. The Cultural Strategy Group for London.
12. The Children and Family Court Advisory and Support Service.
13. An urban development corporation.
14. The Secretary of State, in respect of persons specified in regulation 3A (1) (civil servants engaged in probation provision).

### Schedule 2 – Part 4

15. A local authority that has, with the consent of the governing body, designated an employee or a class of employees of a governing body of a voluntary school as being eligible for membership
16. A local authority that has, with the consent of the governing body, designated an employee or a class of employees of a governing body of a foundation school or foundation special school as being eligible for membership
17. A local authority that has, with the consent of the governing body, designated an employee or a class of employees of a governing body of a technical institute or other similar institution which is for the time being assisted by the local authority under the Education Act 1996 as being eligible for membership
18. A local authority that has, with the consent of the governing body, designated an employee or a class of employees of a federated school as being eligible for membership
19. The London Pension Authority
20. An authority appointing a coroner
21. A police and crime commissioner
22. The Commission for Local Administration in England
23. The passenger transport executive
24. The Housing Ombudsman



## Warwickshire Pension Fund - Admissions and Termination Policy

### **Annex B – Admission Bodies** *(List current as at the date of this policy – check the legislation for updates)*

1. Schedule 2 – Part 3, Paragraph 1The following bodies are admission bodies with whom an administering authority may make an admission agreement—
  - (a) a body which provides a public service in the United Kingdom which operates otherwise than for the purposes of gain and has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest (whether because the operations of the body are dependent on the operations of the Scheme employer or otherwise);
  - (b) a body, to the funds of which a Scheme employer contributes;
  - (c) a body representative of—
    - (i) any Scheme employers, or
    - (ii) local authorities or officers of local authorities;
  - (d) a body that is providing or will provide a service or assets in connection with the exercise of a function of a Scheme employer as a result of—
    - (i) the transfer of the service or assets by means of a contract or other arrangement,
    - (ii) a direction made under section 15 of the Local Government Act 1999 1 (Secretary of State's powers),
    - (iii) directions made under section 497A of the Education Act 1996 2;
  - (e) a body which provides a public service in the United Kingdom and is approved in writing by the Secretary of State for the purpose of admission to the Scheme.

**Warwickshire Pension Fund - Admissions and Termination Policy**

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# Conflicts of Interest Policy

# WARWICKSHIRE

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# pension fund

**Version:2**

**Date of issue: December 2022**

**Team: Warwickshire Pension Fund**

**Protective Marking: Public**

## **Introduction**

This is the Conflicts of Interest Policy of the Warwickshire Pension Fund (**Fund**), which is managed by Warwickshire County Council as the Administering Authority or 'Scheme Manager'.

The Policy details how actual and potential conflicts of interest are identified and managed by those involved in the management and governance of the Fund, whether directly, or in an advisory capacity.

For the purposes of this policy, references to the Scheme Manager should be read as references to the Strategic Director for Resources, who may nominate a person to act on his or her behalf.

## **Objectives**

This Conflicts of Interest Policy is established to guide members of the Staff and Pensions Committee, Pension Fund Investment Sub-Committee, Local Pension Board, officers and advisers to the Fund. Alongside the Council's constitution and various Codes of Conduct, this policy aims to ensure that those individuals do not act improperly or create a perception that they may have acted improperly. It is an aid to good governance, encouraging transparency and minimising the risk of any matter prejudicing decision making or management of the Fund otherwise.

The governance objectives in relation to the Fund are are:

- to meet the highest standards of Governance and demonstrate key principles of transparency and accountability in the management of the Fund through clear responsibilities and reporting.
- to have an appropriate Investment Strategy, which balances risk and reward and is consistent with the Funding Strategy Statement.
- to ensure that sufficient funds are available to meet the pension liabilities, as they fall due for payment.
- to ensure robust governance arrangements are in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies.
- to ensure the Fund is managed and its services delivered by those who have appropriate knowledge and expertise.
- to act with integrity and be accountable to stakeholders for all decisions, ensuring they are robust, soundly based and do not unreasonably favour one group of stakeholders over another to comply with the appropriate legislation and statutory guidance, and act in the spirit of other relevant guidelines and best practice guidance.
- to clearly articulate the Fund's objectives and how those objectives will be achieved through business planning, and continually measure and monitor success against those objectives; and
- to deliver an efficient and effective pensions and financial administration service, which provides excellent value for money.

The identification and management of potential and actual conflicts of interest is integral to achieving these governance objectives.

### **Scope of this Policy**

This Policy and the issue of conflicts of interest in general must be considered in light of each individual's role, whether this is a management, advisory or assisting role.

This Conflicts of Interest Policy applies to:

- all members of the Staff and Pensions Committee, the Pension Fund Investment Sub Committee and the Local Pension Board, including scheme member and employer representatives, whether voting members or not.
- all employees of Warwickshire County Council involved in the management, administration and governance of the Fund.
- all advisers and suppliers to the Fund, whether advising the Local Pension Board, the Staff and Pensions Committee, the Pension Fund Investment Sub Committee or Fund officers, in relation to their role in advising or supplying the Fund.

The Scheme Manager will monitor potential conflicts for officers involved in the daily management of the Pension Fund and highlight this Policy to them as he or she considers appropriate.

In this Policy, reference to "advisers" includes all advisers, suppliers and other parties providing advice and services to Warwickshire Pension Fund in relation to Pension Fund matters. This includes but is not limited to actuaries, investment consultants, independent advisers, benefits consultants, third party administrators, fund managers, lawyers, custodians and AVC providers.

Where an advisory appointment is with a firm rather than an individual, reference to "advisers" is to the lead adviser(s) responsible for the delivery of advice and services to Warwickshire Pension Fund rather than the firm as a whole.

In accepting any role covered by this Policy, individuals agree that they must:

- acknowledge any potential conflict of interest they may have;
- be open with Warwickshire Pension Fund on any conflicts of interest they may have;
- adopt practical solutions to managing those conflicts; and
- plan ahead and agree with Warwickshire Pension Fund how they will manage any conflicts of interest which arise in future.

The procedures outlined later in this Policy provide a framework for individuals to meet these requirements.

### **Specific Requirements**

#### Staff and Pensions Committee and Pension Fund Investment Sub-Committee Members

In addition to the requirements of this Policy, Committee members are required to adhere to the Warwickshire County Council Members' Code of Conduct which includes requirements in relation to disclosable pecuniary interests.

### Local Pension Board Members

In addition to the requirements of this Policy, Local Pensions Board members are required to adhere to Part 8 of the Terms of Reference of the Local Pensions Board which includes declaring any interests that may lead to a conflict situation together with the Local Pension Board's conflicts of interest policy. In the event of any conflict between this Policy and the Terms of Reference, the Terms of Reference will prevail.

### Employees

In addition to the requirements of this Policy, officers of Warwickshire County Council are required to adhere to their own contracts of employment and the Warwickshire County Council's Employer and Employee Responsibilities policy which includes requirements in relation to disclosable pecuniary interests. All staff are required to complete an annual register of interests return.

### Advisers and Suppliers

Warwickshire Pension Fund appoints its own advisers and suppliers. How conflicts of interest will be identified and managed should be addressed within its contractual agreements with those advisers and suppliers.

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

An adviser may only continue to advise Warwickshire Pension Fund and another party where there is no conflict of interest in doing so. For example, a conflict of interest may arise where:

- Warwickshire Pension Fund's advisers are asked to give advice to the Council or other scheme Employer, or to scheme members or member representatives such as the Trades Unions, in relation to pension matters; or
- an adviser is also appointed to another Local Government Pension Fund, which is involved in a transaction involving Warwickshire Pension Fund and on which advice is required.

Where the Local Pensions Board decides to appoint an adviser, this can be the same person as is appointed to advise the Fund, the Staff and Pensions Committee or the Pension Fund Investment Sub-Committee, as long as there is no conflict of interest between the two roles.



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

A conflict of interest may arise when an individual has a responsibility or duty in relation to the management of or advice for Warwickshire Pension Fund, and at the same time has a separate personal interest (financial or otherwise) or another responsibility which prejudices their ability to discharge their duty in the interests of the Fund.

An interest could arise due to a family member or close colleague having a specific responsibility or interest in a matter.

A person will not be considered to have a financial interest merely by virtue of membership of the Fund.

Warwickshire Pension Fund will encourage a culture of openness and transparency and will encourage individuals to be vigilant; have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest, and of how potential conflicts should be managed. Warwickshire Pension Fund will evaluate the nature of any dual interests or responsibilities that are highlighted and assess the impact on Pension Fund operations and good governance, should an actual conflict of interest materialise.

Provided that Warwickshire Pension Fund (having taken any professional advice deemed to be required) is satisfied that a potential conflict of interest can be properly managed, it shall endeavour to avoid the need for an individual to have to resign. However, where the potential conflict is considered to be so fundamental that it cannot be effectively managed the individual will be required to resign from the Committee, Board or appointment.

In relation to the Local Pension Board in particular, the administering authority must be satisfied that upon appointment, no members of the Board have a conflict of interest upon their appointment and from time to time thereafter. Members (and prospective members) of the board are therefore required to provide the administering authority with such information as is reasonably required to make this assessment.

There are a number of ways in which potential conflicts of interest may be managed, for example:

- the individual concerned may abstaining from discussion, decision-making or providing advice relating to the relevant issue
- the individual concerned being excluded from the meeting and any related correspondence or material in connection with the relevant issue
- where constitutional requirements permit, a working group or sub-committee may be established, excluding the individual concerned, to consider the matter outside of the formal meeting.

**Conduct at Meetings**

There may be circumstances where a representative of an Employer or a Scheme Member wishes to provide a specific point of view on behalf of an Employer (or group of Employers) or Member (or group of Members). Warwickshire Pension Fund requires that any individual wishing to speak from an Employer's or Member's viewpoint must state this clearly, e.g. at a Local Pensions Board or Committee meeting, and that this will be recorded in the minutes.

**Gifts**

Warwickshire County Council employees and elected members are required to comply with Warwickshire County Council's existing policies and codes of conduct concerning gifts, which can be found here: <https://api.warwickshire.gov.uk/documents/WCCC-575-3582>

Members of the Local Pensions Board are expected to adhere to the same principles.

Advisers are expected to comply with their employing organisation's anti-bribery, gifts and hospitality policies.

**Operational procedure for Officers, Pensions Committee members and Local Pensions Board members**

<b>What is required</b>	<b>How this will be done</b>
<p>Step 1 - Initial identification of interests which do or could give rise to a conflict.</p>	<p>On appointment to their role or on the commencement of this Policy if later, all individuals will be provided with a copy of this Policy (and any other relevant policy, terms of reference or code of conduct) and be required to complete a Declaration of Interest The Scheme Manager will assess the extent to which any declarations are relevant to the individual's role in relation to the Fund. Each individual is responsible for maintaining their declaration of interest on a continuous basis.</p>

<p>Step 2 - Ongoing notification and management of potential or actual conflicts of interest</p>	<p>At the commencement of any Committee, Local Pension Board or other formal meeting where Fund matters are to be discussed, the Chair will ask all those present to declare any interests. All interests declared will be detailed in the record of the meeting.</p> <p>Any individual who considers that they have a potential or actual conflict of interest which relates to an item of business at a meeting, must advise the Chair and the Scheme Manager prior to the meeting, where possible, or state this clearly at the meeting at the earliest possible opportunity. The Chair, in consultation with the Scheme Manager, will seek advice as necessary and will advise the individual whether they need to leave the meeting during the discussion on the relevant matter or to withdraw from voting on the matter.</p> <p>If such a conflict is identified outside of a meeting the individual must complete an updated Declaration of interest. The Scheme Manager will consider any necessary action to manage the potential or actual conflict.</p>
<p>Step 3 - Periodic review of potential and actual conflicts</p>	<p>All individuals will be required complete a declaration of interest at least once every 12 months.</p>

**Operational procedures for Advisers**

The operational procedures outlined above are not expected to apply to advisers. Instead all advisers must:

- be provided with a copy of this Policy on appointment and whenever it is updated;
- adhere to the principles of this Policy as it applies to them;
- provide, on request, information to the Scheme Manager in relation to how they will manage actual or potential conflicts of interest relating to the provision of advice or services concerning the Warwickshire Pension Fund; and
- notify the Scheme Manager immediately should a potential or actual conflict of interest arise.

### **Monitoring and Reporting**

The Scheme Manager will maintain a register of interests relating to the Pension Fund which may be viewed by any interested party at any point in time upon request.

In order to identify whether the objectives of this Policy are being met, Warwickshire Pension Fund will review the Register of Interests periodically and consider whether any additional steps to manage conflicts of interest should be undertaken.

### **Costs**

All costs related to the operation and implementation of this Policy will be met directly by the Fund. However, no payments will be made to any individuals in relation to any time spent or expenses incurred in the disclosure or management of any potential or actual conflicts of interest they may have under this Policy.

### **Review**

This Policy will be formally reviewed and updated at least every three years, or sooner if the conflict management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS Regulations or other relevant Regulations or Guidance which need to be considered.

# Corporate Governance Policy Statement

WARWICKSHIRE

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pension fund

**Version: 2**

**Date Issue:** December 2022

**Team:** Warwickshire Pension Fund

**Protective Marking:** Public

## **Introduction**

Warwickshire County Council (the Council) is the administering authority for the Warwickshire Pension Fund (the Fund).

This statement has been prepared to set out the governance arrangements for the Fund as required by Part 2 (Administration) Regulation 55 and Part 3 (Governance) Regulation 106 of LGPS Regulations 2013.

This statement has been prepared having regard to relevant statutory guidance. References in this document to the constitution are references to the constitution of the Council:

<https://www.warwickshire.gov.uk/democracy/constitution-corporate-governance>

## **Purpose of this Governance Statement**

Administering authorities are required, after consultation with such persons as they consider appropriate, to prepare, maintain and publish a written statement setting out:

- whether it delegates its functions, or part of its functions, in relation to maintaining a pension fund to a committee, sub-committee or officer of the authority.
- The terms of reference, structure, and operational procedures of the delegation.
- The frequency of any committee/sub-committee meetings.
- Whether the committee/sub-committee includes representatives of employing authorities (including non-scheme employers) or scheme members and, if there are such representatives, whether they have voting rights.
- The extent to which delegation, or the absence of a delegation, complies with guidance by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying.
- Details of the terms, structure and operational procedures relating to the Local Pension Board.

## **Governance of the Fund**

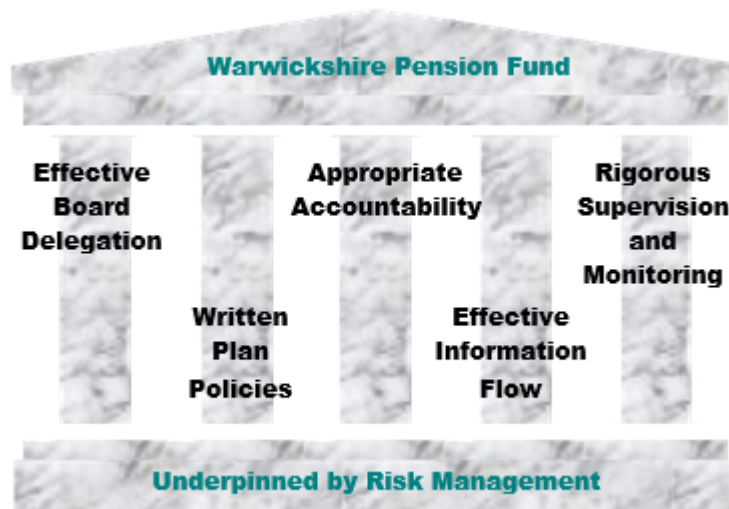
Overall responsibility for managing the Fund lies with the Council in its role as administering authority.

Under the constitution, delegations for the management, administration and investment of the Fund are made to the Staff and Pensions Committee (which has delegated functions to the Pension Fund Investment Sub-Committee (PFISC)) and

the Strategic Director for Resources (the Council's s151 Officer), their Deputy and their staff.

In all areas of the governance structure, the seven principles of public life (the Nolan Principles) are widely acknowledged and practiced, both within the decision-making framework and within day-to-day activities.

The Council, with its advisers, has identified the following key areas (the "five principles") to support its overall governance framework.



The governance framework focuses on:

- The effectiveness of the Staff and Pensions Committee, PFISC and officers to which delegated function has been passed, including areas such as decision-making processes, knowledge and competencies.
- Whether policies are established and to what degree they are recorded.
- Clarity of areas of responsibility between officers and Committee members.
- The ability of the Staff and Pensions Committee, PFISC and officers to communicate clearly and regularly with all stakeholders.
- The ability of the Staff and Pensions Committee, PFISC and officers to ask for the appropriate information and advice and to interpret that information in their supervision and monitoring of the Fund in all areas.
- The management of risks and internal controls to underpin the framework.

#### Staff and Pensions Committee

Under the terms of the constitution, the functions of the Council as administering authority of the Pension Fund are delegated to the Staff and Pensions Committee.

The Role of the Staff and Pensions Committee with regard to the Fund is:

- Establishing the Pension Fund Investment Sub-Committee.
- Approving the admission of employing organisations to the Fund where there is discretion to do so
- Approving the Fund's pension discretions policy
- Dealing with any other administrative and governance matters arising about local government pensions

The Staff and Pensions Committee is made up of six councillors appointed proportionately to the representation of groups and individual members on the Council.

The rules of procedure of the Staff and Pensions Committee are set out in Warwickshire County Council's Standing Orders which are contained in Part 3 of the constitution.

#### Pension Fund Investment Sub-Committee (PFISC)

The terms of reference of PFISC are to oversee pension fund investments, management of the Fund, in particular:

- Setting of the appropriate funding target
- Maintaining the Funding Strategy Statement
- setting of an appropriate investment strategy
- selection of investment managers
- setting of performance benchmarks and regular monitoring of performance
- maintaining the Statement of Investment Principles.
- maintaining the Communications Policy
- maintaining the Risk Register
- reporting on annual accounts to full Council

Membership of the PFISC is five councillors allocated proportionately to the representation of groups and individual members on the Council.

The rules of procedure of the PFISC are set out in Warwickshire County Council's Standing Orders which are contained in Part 3 of the constitution.

#### Local Pension Board

Warwickshire County Council has established a Local Pension Board (LPB). The LPB is responsible for assisting the administering authority in securing compliance with all relevant legislation and directions, and the Pension Regulator's codes of practice.

The [full terms of reference of the Local Pension Board](#) can be found here.

Membership of the LPB is seven members to include:



- Three pension scheme member representatives
- Three employer representatives
- One independent representative, who chairs the LPB.

#### The Strategic Director for Resources

The Strategic Director for Resources and his staff are responsible for all matters of Fund administration, including:

- Implementing decisions of the Staff and Pensions Committee and PFISC
- recording each member's years of service and calculating benefits
- maintaining of appropriate contracts with advisers and service providers
- making payments out of the Fund
- communicating with members and stakeholders e.g. issuing benefit statements, annual newsletters, maintaining the Fund's website
- provision of membership data for actuarial valuation purposes.
- reconciliation and investment of contributions
- Implementation of investment strategy
- preparation of annual accounts

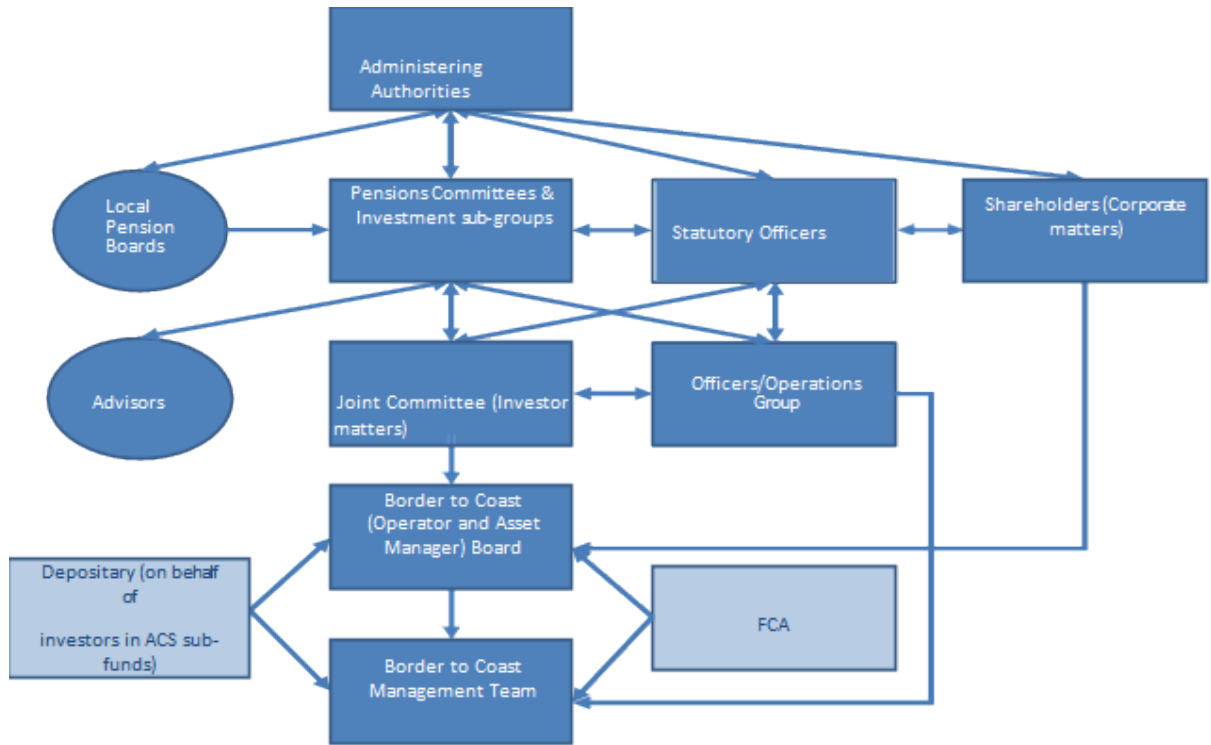
#### Asset Pooling (Border to Coast Pension Partnership)

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 formally introduced the concept of asset pooling. The Fund has joined with other LGPS funds across the country (partner funds) to form an asset pool, known as the Border to Coast Pension Partnership.

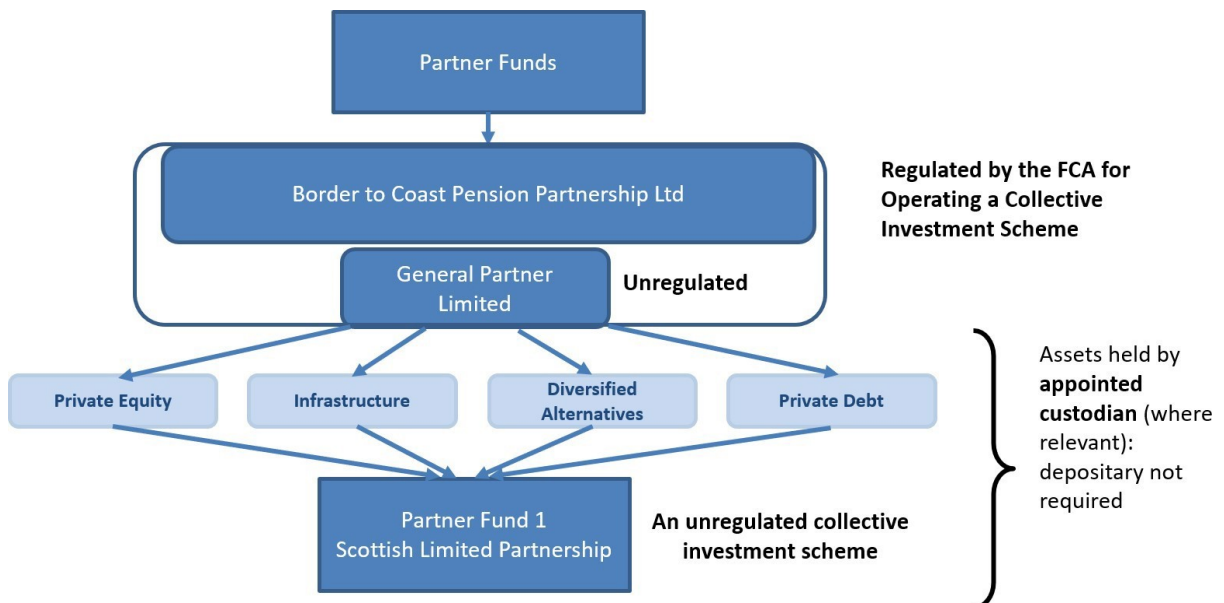
Border to Coast Pension Partnership is the company formed by the partner funds, which is authorised by the Financial Conduct Authority (FCA), as the operator of the Authorised Contractual Scheme (ACS) to provide investment services to the partner funds. The Company is therefore subject to the FCA's conduct of business rules and has established its internal governance framework to ensure strict adherence both to its regulatory obligations and with the Companies' Acts.

The councils of each of the partner funds retain their core duties and responsibilities as the administering authorities of their respective LGPS funds. Asset allocation decisions remain with the partner funds. Manager selection for assets transitioned into the ACS and for assets managed under discretionary agreements by the operator is the responsibility of the Boarder to Coast Investment Partnership. Manager selection for the remainder of the pool's assets currently remains with the partner funds. The operator is responsible for selecting the custodian for the assets in the ACS; the partner funds are responsible for selecting the custodian for the remaining assets.

The following diagram shows the governance structure in place to ensure that appropriate oversight of Border to Coast Investment Partnership is carried out both from a shareholder (the partner funds) and an investor perspective.



Oversight of the Border to Coast private market structure differs from that of the Border to Coast Authorised Contractual Scheme (“ACS”) as set out in the diagram below (we have chosen to show one of the GP/LP structures for simplicity, in reality each Partner Fund investing in private market via Border to Coast has its own GP/LP structure)



## Training

The Fund recognises the importance of ensuring that all staff and members charged with financial management and decision making concerning the Pension Scheme are equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them. The Fund's training policy is available to the Policy Page of our [website](#).

Officers regularly review the Fund's training policy to ensure that all stakeholders are well equipped to carry out their duties as effectively and efficiently as possible.

The training policy applies to:

- Pension fund officers and managers
- Members of the Staff and Pensions Committee and PFISC
- Members of the Local Pension Board

New members are offered training upon induction and there is an annual training cycle. The Fund provides training to the Staff and Pensions Committee and PFISC during committee meetings including presentations on topical issues, such as hedge funds, private equity, actuarial valuations, infrastructure etc.

## Governance Compliance Statement

Principle	Explanation of Approach	Compliance
A - Structure		
The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	As detailed above, the overall responsibility for matters relating to local government pensions is clearly delegated to the Staff and Pensions Committee which delegates certain matters to the PFISC	Full
That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	The executive committees are populated by elected members and a high priority part of their role is to have regard to members' interests. The Local Pension Board has scheme employer and member representatives and has access to the public papers of the committees	Please refer to the explanation of approach
That where a secondary committee or panel has been established, the structure	All of the membership of PFISC (except the Chair) are members of the Staff and Pensions Committee. Both Committees	Full

ensures effective communication across both levels.	meet quarterly. The public papers of both Committees are presented to the Local Pension Board.	
That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	See above	Full
<b>B Representation</b>		
<p>That all key stakeholders are afforded the opportunity to be represented. within the main or secondary committee structure. These include :-</p> <ul style="list-style-type: none"> <li>• employing authorities (including non-scheme employers, eg, admitted bodies);</li> <li>• scheme members (including deferred and pensioner scheme members),</li> <li>• where appropriate, independent professional observers, and</li> <li>• expert advisors (on an ad-hoc basis).</li> </ul>	<p>Two independent financial advisers sit on the PFISC.</p> <p>Representatives from the financial consultancy firm attends PFISC.</p> <p>Actuaries and other experts attend committee meetings as required.</p>	<p>Partial</p> <p>Please refer to the explanation of approach under 'Structure' above.</p>
That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.	<p>Formal committees do not include lay members. Such interests are represented on the Local Pension Board.</p> <p>A training plan has regard to the training needs of the committees and Local Pension Board. All members have access to this training once needs are identified.</p>	Full

C Selection and role of lay members		
That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	The elected members are aware of their status, role and function which are set out in the constitution, and which are covered as part of the induction training.	Full
That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda	This forms part of every meeting agenda.	Full
D Voting		
The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Members of the Staff and Pensions Committee and PFISC have full and equal voting rights.  The Local Pension Board is expected to operate on a consensus basis but where a vote is necessary, each member other than the independent member has equal voting rights.	Full
E Training/Facility Time/Expenses		
That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	Training is referred to above.  This falls within the Council's normal approach to member expenses.	Full

That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	The policies apply equally to all members.	Full
<b>F Meetings</b>		
That an administering authority's main committee or committees meet at least quarterly.	The Staff and Pensions Committee meets quarterly	Full
That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	The PFISC meets quarterly Where possible the Staff and Pensions Committee and PFISC meets on the same day.  The Local Pension Board meets quarterly (usually six weeks after the committee meetings)	Full
That an administering authority who does not include lay members in their formal governance arrangements, must provide a forum outside of those arrangements by which the interests of key stakeholders can be represented	Such interests are represented on the Local Pension Board	Full
<b>G Access</b>		
That subject to any rules in the councils constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Members of the Staff and Pensions Committee and PFISC have full and equal access.	Full
<b>H Scope</b>		
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements	Updates concerning wider issues affecting pensions schemes form part of the information that is reported to committees. A monthly update	Full

	is also emailed to committee and LPB members as well as senior officers	
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I Publicity		
That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	All public papers are published online. Where there are vacancies on the Local Pension Board, the Fund will contact scheme employers and publish vacant positions within the member newsletters. The work of the Local Pension Board is advertised on the Fund's website and all meetings are open to the public.	Full

**Review**

This Policy Statement will be reviewed on an annual basis, considering any alterations to the Committees and changes to national LGPS guidelines.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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