

Staff and Pensions Committee

Date: Monday 11 December 2023
Time: 2.00 pm
Venue: Committee Room 2, Shire Hall

Membership

Councillor Yousef Dahmash (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 - 16
To confirm the minutes of the meetings on 11 September 2023 and 22 November 2023.
2. **Regulatory and Policy Update Report** 17 - 30
3. **Pensions Administration Activity and Performance Update** 31 - 38
4. **Employers Joining and Leaving the Warwickshire Pension Fund** 39 - 42
5. **Review of the Minutes of the Warwickshire Local Fire Pension Board Meetings of 5 June 2023 and 25 September 2023** 43 - 52
6. **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.'

7. Exempt Minutes of the Previous Meeting

53 - 54

To confirm the exempt minutes of the meeting held on 11 September 2023.

8. Future Meeting Dates

The Committee will meet at 2pm on the following dates:

- Monday 4 March 2024
- Monday 10 June 2024
- Monday 9 September 2024
- Monday 9 December 2024
- Monday 10 March 2025

Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

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Disclosures of Pecuniary and Non-Pecuniary Interests

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

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

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

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

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

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Staff and Pensions Committee

Monday 11 September 2023

Minutes

Attendance

Committee Members

Councillor Yousef Dahmash (Chair)
Councillor Bill Gifford (Vice Chair)
Councillor Brian Hammersley
Councillor Christopher Kettle
Councillor Sarah Millar
Councillor Mandy Tromans

Officers

John Cole, Senior Democratic Services Officer
Jan Cumming, Senior Solicitor and Team Leader, Commercial and Contracts
Sarah Duxbury, Director of Governance and Policy
Andy Felton, Director of Finance
Liz Firmstone, Head of Finance Transformation and Transactions
Marina Fraser-Ryan, Delivery Lead – People Relations
Martin Griffiths, Technical Specialist – Pension Fund Policy and Governance
Bal Jacob, Head of Strategic HR
Vicky Jenks, Pensions Administration Delivery Lead
Delroy Madden, Equality, Diversity and Inclusion Team Leader
Chris Norton, Head of Investments, Audit and Risk
Kate Sullivan, Strategy and Commissioning Lead – Organisational Development
Gary Summerfield, Health and Safety Technical Specialist
Sally Waldron, Assistant Chief Fire Officer

1. General

(1) Apologies

There were no apologies.

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

There was none.

(3) Minutes of the Previous Meeting

Resolved:

That the minutes of the meeting held on 12 June 2023 be approved as a correct record and

signed by the Chair.

There were no matters arising.

2. Our People Strategy Annual Review - Focus on Leading Organisational Wellbeing

Kate Sullivan (Strategy and Commissioning Lead – Organisational Development) introduced the three Our People Strategy Annual Reviews which focused on Leading Organisational Wellbeing, Health and Safety, and Equality, Diversity and Inclusion (EDI). She stated that the reviews outlined progress and achievements across the three subject areas over the past 12 months. Proposed action plans and priorities for the year ahead were also included. She advised that attention would be given to the ongoing annual review process to ensure that it was fit for purpose and aligned with the Council Plan.

Kate Sullivan provided a summary of the Annual Review – Focus on Organisational Wellbeing and invited questions from members.

In response to Councillor Millar, Kate Sullivan advised that the menopause had been prioritised as part of ongoing wellbeing work. This was supported by the Menopause Working Group which had expressed interest in analysing data for menopause-related absences. The introduction of 'menopause-related absence' as a new category for recording absences would allow data to be tracked. It would take some time for the changes to embed, and efforts would be made to signpost staff to the new absence category.

In response to the Chair, Kate Sullivan advised that COVID-19 had been a cause of staff absences. However, the adoption of more widespread home working during the Pandemic had led to a reduction in absences. The transition to agile working, including a return to office settings, had increased the transmission of viruses which was reflected in absence data. She stated that compared to pre-2020 data, the Council's absence figures remained good. However, absences would continue to be monitored.

In response to the Chair, Kate Sullivan advised that efforts to secure Silver Thrive at Work accreditation enabled the Council to focus on the right areas to promote wellbeing. It was a combined authority award; therefore, the Council would work with partnership organisations. She emphasised that wellbeing activities were not undertaken solely to secure the accreditation. However, it provided a means to showcase the Council's wellbeing programme and how this made a positive difference.

In response to the Chair, Kate Sullivan advised that sessions to encourage employees to take care of their wellbeing such as mindfulness workshops and the Learning at Work Week were funded by the Council's wellbeing budget. She stated that the adoption of agile working had resulted in a change in working habits. It had been found that sessions to encourage wellbeing provided a change of focus for many employees leading to improved productivity.

The Chair requested that details of the costs of sessions to encourage employees to take care of their wellbeing be shared with the Committee alongside evidence of how these had led to increased productivity.

Councillor Hammersley moved that the recommendations be accepted and was seconded by Councillor Kettle. This was supported unanimously by the Committee.

Resolved:

That the Committee:

1. Endorses the Leading Organisational and Wellbeing Review 2022/23 as set out at Appendix 1.
2. Notes the performance information relating to the management of employee sickness absence during 2022/23 set out in Section 3 and endorses maintaining an overall target of 8 days per FTE (with a +/- 1 day tolerance) for 2023/24.
3. Notes the work in our approach to leading organisational wellbeing and supports the priority actions for 2023/2024 as set out Section 2.11.

3. Our People Strategy Annual Review - Focus on Health and Safety

Kate Sullivan (Strategy and Commissioning Lead – Organisational Development) provided a summary of the Annual Review – Focus on Health and Safety and invited questions from members.

In response to Councillor Hammersley, Gary Summerfield (Health and Safety Technical Specialist) stated that there had been a high number of reports of incidents involving violence to school staff by pupils. He advised that the Health and Safety Team worked closely with schools and the Department for Education to identify if violence to school staff by pupils could be prevented. However, this was inherently challenging. The Department for Education was in the process of developing a policy to determine actions to be taken in these cases. He agreed to provide some additional information showing actions that were taken for cases of violence to school staff by pupils in Warwickshire.

Sarah Duxbury (Director of Governance and Policy) advised that several agencies were involved to resolve incidents involving violence to school staff by pupils. In many cases, efforts were made to avoid the criminalisation of young people. However, this was not to downplay the seriousness of violence to school staff. It was likely that the agencies involved would strive to identify a solution (including alternative provisions if necessary) which avoided the need to exclude pupils wherever possible.

Councillor Gifford highlighted the need for detailed analysis of the relevant data to ascertain if the increased number of reports of incidents involving violence to school staff by pupils was the result of multiple incidents perpetuated by a small number of pupils.

In response to the Chair, Gary Summerfield agreed to provide a breakdown of incidents involving violence to school staff by pupils across schools in Warwickshire.

Councillor Gifford moved that the recommendations be accepted and was seconded by Councillor Tromans. This was supported unanimously by the Committee.

Resolved:

That the Committee:

1. Endorses the Corporate Occupational Health and Safety Review 2022/23 as set out at Appendix 1.
2. Notes the performance information in relation to the Council's management of Health and Safety.
3. Notes the work in our approach to the management of Health and Safety and supports the key focus areas for 2023/2024 set out in section 4.0.

4. Our People Strategy Annual Review - Focus on Equality, Diversity and Inclusion

Kate Sullivan (Strategy and Commissioning Lead – Organisational Development) provided a summary of the Annual Review – Focus on Equality, Diversity and Inclusion (EDI) and invited questions from members.

Councillor Gifford praised the quality of the report, stating that it showed that the Council's work to prioritise EDI was undertaken to a high standard. There were no obvious concerns.

Delroy Madden (Equality, Diversity and Inclusion Team Leader) highlighted that EDI was seen as a 'golden thread' throughout the Council's work. He emphasised that outcomes were much improved by having EDI as a core element within the Council's way of working, rather than it being treated as an afterthought.

Councillor Hammersley moved that the recommendations be accepted and was seconded by Councillor Gifford. This was supported unanimously by the Committee.

Resolved:

That the Committee:

1. Notes the Annual Review for Equality Diversity and Inclusion, attached at Appendix 1, including the priority areas for 2023/2024.
2. Agrees that the Our Diversity Data and Pay Gaps Report 2022-23, at Appendix 2, 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.
3. Agrees that the Council's gender pay gap figures, based on a reporting date of 31 March 2023, be published on the Government's gender pay gap website, as required by the gender pay gap regulations.

5. Pension Fund Regulatory and Policy Update Report

Martin Griffiths (Technical Specialist – Pension Fund Policy and Governance) introduced the report which confirmed the findings of the Annual Review of Pension Fund policies and gave an update on regulatory developments in the pensions arena. He highlighted that:

- Fund officers had reviewed the Administration Strategy and concluded that no amendments were required as the existing timescales were fully compliant with relevant legislation.

- Updates had been made to the Admission and Termination Policy and the Funding Strategy Statement to reflect an amendment relating to how exit credit payments should be assessed for Community Admission Bodies (CABs).
- Fund Officers had deferred the review of the Governance Compliance Policy until after the publication of the Scheme Advisory Board (SAB) Good Governance Review in 2024. However, prior to publication of the SAB Review, attention would be given to the introduction of a Workforce Planning Strategy and Representation Policy.
- It was expected that a consultation would be held on equalising the survivor benefits paid to male spouses or civil partners of female members with the benefits paid to same sex spouses or civil partners.
- There were no immediate plans to remove the upper age limit of 75 for death grants. This had prompted some concerns by the SAB because of the possibility of a legal challenge (as changes were scheduled to be made to other public sector pension schemes to remove the upper age limit). These concerns would be pursued by the SAB as well as the Local Government Association (LGA).
- Public sector exit payment reform remained a government commitment although there was no indication of when new rules might be consulted on. Any changes would be introduced by individual schemes in lieu of a public sector-wide approach.
- The LGA had responded to the Department for Levelling Up, Housing and Communities (DLUHC) consultation on the McCloud Judgement. The response was generally supportive of the proposed approach albeit with some technical comments about whether the draft regulations would deliver the policies as intended. The LGA had also expressed some concerns about the timing of arrangements and how this would impact on funds.
- In March 2023, the Department for Work and Pensions (DWP) had issued a Written Ministerial Statement on the Pensions Dashboard initiative. Since then, a further statement had been published in June 2023 which confirmed the removal of the phased staging deadline from legislation, replacing it with a single connection deadline of 31 October 2026. The Pensions Regulator (TPR) has encouraged schemes not to delay preparatory work ahead of the launch of the initiative. This advice was being followed by the Fund.

Councillor Millar moved that the recommendations be accepted and was seconded by Councillor Tromans. This was supported unanimously by the Committee.

Resolved:

That the Committee:

1. Notes the updates contained in the report; and
2. Approves the changes proposed to the Fund's Admission and Termination Policy and Funding Strategy Statement as set out in appendices 1 and 2 respectively.

6. Pensions Administration Activity and Performance Update Report

Vicky Jenks (Pensions Administration Delivery Lead) introduced the report which outlined key developments affecting pensions administration and the performance of the Pensions Administration Service (PAS). She reported that the PAS had continued to work to increase participation in the Member Self Service (MSS) scheme. She stated that the progress made in Warwickshire compared favourably to the national average for take up of schemes of this type. More work was proposed to promote MSS.

Vicky Jenks provided an update on e-payslips, stating that pensioners who were unable to access an e-payslip had the option of contacting the Fund to request a paper payslip. It was recognised that some pensioners did not make use of digital technology. Attention had been given to ensuring that contact with these individuals was maintained. She advised that, other than e-payslips, correspondence issued by the Fund was sent in paper format. Pensioners could choose to opt into paper communications, rather than receive digital updates.

Vicky Jenks provided an overview of Key Performance Indicators (KPIs) for the period of 1 April 2023 to 31 July 2023. She highlighted that performance for 'letter detailing transfer in quote' had dropped significantly. This was not due to an inability by the Team to cope with workload, but rather a delay in the receipt of factors used for administering transfers. This had resulted in a backlog which was now being addressed.

Vicky Jenks provided an update on breaches, stating that the report showed some amber breaches. In cases where several multi-academy trusts had a single payroll provider, a delay by the payroll provider in submitting information to the Fund resulted in several breaches being recorded. When this occurred, efforts were made to liaise with the payroll provider to secure the relevant information and re-establish timely reporting. A red breach had been reported to the Pensions Regulator in May 2023 relating to a data breach of a third-party provider following a malware attack. Investigation showed that this had not had a severe impact and the Pensions Regulator was satisfied with the actions taken by the Fund.

Vicky Jenks reported that good progress had been made to produce Annual Benefits Statements (ABS) for all active and deferred members of the Fund within the statutory deadline of 31 August 2023.

Vicky Jenks reported that the PAS had continued to progress work associated with the McCloud Project. A newsletter would be sent to members of the Fund whose pensions had been affected by McCloud. This would ensure compliance with the latest regulations.

In response to the Chair, Vicky Jenks stated that the introduction of the Pensions Dashboard could prompt an increased number of enquiries to the PAS. It was considered that active members of the scheme were more likely to be in regular contact with the PAS as well as receiving newsletters and e-payslips. A greater number of enquiries could be received from deferred members, including those who had once paid into the Fund but lost track of the status of their pension. Attention had been given to the anticipated number of enquiries to ensure that the PAS was adequately prepared to respond.

Councillor Millar moved that the recommendation be accepted and was seconded by Councillor Hammersley. This was supported unanimously by the Committee.

Resolved:

That the Committee notes the content of the report.

7. Employers Joining and Leaving Warwickshire Pension Fund

Councillor Hammersley moved that the recommendation be accepted and was seconded by Councillor Millar. This was supported unanimously by the Committee.

Resolved:

That the Committee delegates authority to the Executive Director for Resources to approve applications to the Pension Fund from the employers listed in Appendix 1 of the report, subject to the applications meeting the criteria set out in the Local Government Pension Scheme Regulations 2013, and to facilitate those employers listed in Appendix 1 to exit the Pension Fund.

8. Review of the Minutes of the Warwickshire Local Fire Pension Board of 15 February 2023

Councillor Tromans moved that the recommendation be accepted and was seconded by Councillor Hammersley. This was supported unanimously by the Committee.

Resolved:

That the Staff and Pensions Committee notes the minutes of the meeting of the Warwickshire Fire Local Pension Board held on 15 February 2023.

9. Reports Containing Exempt or Confidential Information

Resolved:

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

10. Orbit Heart of England Housing and Care Association Cessation and Exit of Warwickshire Pension Fund

The Committee held a confidential discussion.

11. Next Meeting

The Committee noted the dates of future meetings.

The meeting rose at 14.52.

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Chair

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Staff and Pensions Committee

Wednesday 22 November 2023

Minutes

Attendance

Committee Members

Councillor Yousef Dahmash (Chair)
Councillor Bill Gifford (Vice Chair)
Councillor Brian Hammersley
Councillor Sarah Millar
Councillor Mandy Tromans

Officers

John Cole, Senior Democratic Services Officer
Jan Cumming, Senior Solicitor and Team Leader, Commercial and Contracts
Laura Greenacre, Strategy and Commissioning Lead for Strategic Insight and Assurance
Bal Jacob, Director of Workforce and Local Services
Tina Riley, Senior People Practitioner – Strategic Insight and Assurance

1. General

(1) Apologies

There were no apologies.

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

There was none.

2. Pay Award for Warwickshire County Council Employees on School Teachers' Pay and Conditions 2023

Tina Riley (Senior People Practitioner – Strategic Insight and Assurance) introduced the report which sought approval for the pay award to employees paid on the School Teachers' Pay and Conditions Document (STPCD). She advised that there were no recommendations outside of the nationally agreed Teachers' Pay Award for 2023.

Tina Riley provided a brief overview, stating that the Secretary of State for Education had accepted the recommendations of the STPCD Report. The revised STPCD outlined the September 2023 Pay Award which encompassed a 6.5% increase to all pay points and allowances for both teachers and leaders, apart from a higher uplift for pay point M1 (the lowest pay point) on the main pay scale of 7.1%. All pay uplifts would be backdated to 1 September 2023.

In response to the Chair, members who had been present at the Committee's previous meeting to examine the Teachers' Pay Award in November 2022 stated that the 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)" had been ruled out to ensure that the Committee retained oversight of the implications of future pay awards.

Councillor Gifford stated that it was unlikely that the Committee would opt not to agree the recommendation of the report. However, there was a need to examine the potential implications of the annual pay award. For example, the Committee would wish to be sighted if there was any risk of cuts being made – for example, to the Warwickshire Music Service.

Councillor Hammersley stated that the School Teachers' Review Body Report provided an insight into issues affecting recruitment and retention within schools and touched on concerns that he had raised at previous meetings. It was encouraging that many of these concerns had been addressed.

Councillor Millar acknowledged that the pay award had been agreed by the Secretary of State for Education and that it was slightly higher than the originally proposed increase. However, she emphasised that the pay award was not proportionate to the increased cost of living faced by many households.

Councillor Millar stated that the pay award would support recruitment and retention of teachers. However, she highlighted commentary within the report that "where there is a shortfall, schools will have to make savings elsewhere and this will add to continued financial pressures and reduced financial stability across the school system." This would contribute to increased pressure on staff. She highlighted that many schools had based their financial planning on lower estimates of pay inflation than the 3.5% assumed by the DfE when calculating the need for additional funding. There would be increased pressure on these schools.

Councillor Millar highlighted the statement within the report that "due to the legal delegated financial framework... WCC does not hold extensive payroll information for Warwickshire's state funded schools, this means that we are unable to understand or model the potential impact on individual schools or on the sector as a whole." She emphasised that there was a need for the Council to be aware of any schools facing financial difficulty.

Tina Riley advised that Finance officers within the Council worked closely with schools and would be able to provide advice to any schools experiencing financial difficulty. She advised that it had been confirmed that Warwickshire would not receive any of the additional funding referred to within the report. An update would be circulated to members following the meeting.

Councillor Millar moved that the recommendation be accepted and was seconded by Councillor Hammersley. This was supported unanimously by the Committee.

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

Members noted the dates of future meetings.

The meeting rose at 14.12.

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Chair

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Staff and Pensions Committee

11 December 2023

Regulatory and Policy Update Report

Recommendations

That the Committee:

1. Notes and comments on the updates contained in this Report; and
2. Approves the changes proposed to the Fund's Conflicts of Interest Policy.

1. Executive Summary

- 1.1 This Report confirms the findings of the annual review of Pension Fund policies. Any significant changes recommended to any policy are confirmed in the body of this report.
- 1.2 This Report also provides a regulatory update of developments and issues that have arisen in the Local Government Pension Scheme (LGPS) arena in the last quarter.

2. Financial Implications

- 2.1 There are no financial implications arising directly from this report.

3. Environmental Implications

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

4. Supporting Information

Review of Policies and Processes

- 4.1 Fund Officers have reviewed the Cyber Security Policy with the Cross Unit Working Group, Some changes are currently being considered and if the final suggestions are considered to be material, they will be brought back to this meeting in March 2024. It was decided that no alterations were currently required as the Policy as drafted meets the needs of the Pension Fund.

- 4.2 The Fund's Conflicts of Interest Policy has been reviewed. Following advice from Hymans Robertson a recommendation was made to reference the relationships between (a) the Fund and Border to Coast Pension Partnership and (b) the Fund and Warwickshire County Council, where possible conflicts may arise. Clarification has been added to the Policy to address these issues. The opportunity was taken to make some further clarifications where this Policy links into other policies held by the Fund, such as our Governance Compliance Statement. Please refer to the marked-up version in Appendix 1 which sets out the changes proposed.

Regulatory and General LGPS Updates since September 2023

- 4.3 On 18 October 2023, the Office for National Statistics announced the Consumer Prices Index (CPI) rate of inflation for September 2023 as 6.7 per cent. Government policy in recent years has been to base increases under the Pensions (Increase) Act 1971 and revaluation of pension accounts under section 9 of the Public Service Pensions Act 2013 on the rate of CPI in September of the previous year. The Fund will await confirmation from Government that the revaluation and pensions increase that will apply to LGPS active pension accounts, deferred pensions, and pensions in payment in April 2024 will be 6.7 percent.
- 4.4 On 25 October 2023, the Department for Levelling up and Communities (DLUHC) published the LGPS statistics for England and Wales: 2022 to 2023. Highlights include:
- total expenditure was £15.2 billion, an increase of 5.1 percent on 2021/22
 - total income was £17.3 billion, as increase of 8.5 percent on 2021/22
 - employers' contributions amounted to £8.4 billion, an increase of 7.8 percent on 2021/22
 - employee contributions were £2.8 billion, an increase of 9.5 percent on 2021/22
 - the market value of the LGPS funds at the end of March 2023 was £357.2 billion, a decrease of 1.9 percent.
 - there were 6.2 million scheme members on 31 March 2023: 2 million active members, 1.9 million pensioners and 2.3 million deferred members.
 - There were 87,129 retirements, a decrease of 8 percent with 2021/22.

McCloud

- 4.5 The McCloud legislation was implemented from 1st October 2023 and the Fund is now working on the review of cases. Further information is provided in the Pensions Administration Update Report also on this agenda. The Local Government Association (LGA) has created a new area on their website for members to provide them with more information on how they will be affected by the McCloud remedy.
- 4.6 Certain transfers for members with underpin protection are on hold until the actuarial guidance for transfers is updated for the McCloud remedy. As a

result some transfers between public sector schemes will be paused as Funds await updated GAD guidance, however transfers between LGPS schemes can continue as long as the information required to assess the underpin is held on the member record.

Dashboards

- 4.7 The National LGPS Technical Group agreed to form a sub-group to look at Added Voluntary Contributions (AVCs) and dashboards. AVC information is held by the provider and not the Fund. The sub-group will work with all LGPS and AVC providers to establish common approaches on matching and providing value data.
- 4.8 The Pensions Dashboards Programme (PDP) has confirmed that it will be looking to engage with the industry on dashboards connection guidance over coming months, with further engagement on the dashboards standards set to take place in 2024. The PDP's latest update report was focused on a new programme plan to help facilitate pension providers and schemes in meeting the October 2026 connection deadline.
- 4.9 LGA have published a draft guide for Funds to use when considering the work that is required to establish the connection to the dashboard and the work that is necessary to ensure data quality is maintained. This is essential so that information accessed by members is accurate.

5. Timescales associated with the decision and next steps.

- 5.1 There are no timescales associated with this Report.

Appendices

Appendix 1 – Conflicts of Interest Policy

	Name	Contact Information
Report Authors	Martin Griffiths, Victoria Jenks	martingriffiths@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk
Director	Andrew Felton, Director of Finance	andrewfelton@warwickshire.gov.uk
Executive Director	Rob Powell, Executive 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): N/A

Other members: Councillors Yousef Dahmash and Bill Gifford

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Conflicts of Interest Policy

WARWICKSHIRE

pension fund

December 2023

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:

- 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.

The Seven Principles of Public Life, otherwise known as the 'Nolan Principles' and specified in the Localism Act 2011, apply to anyone who works as a public officeholder. This includes people who are elected or appointed to public office, nationally and locally. All individuals to whom this Policy applies are expected to comply with these principles which are integral to the successful implementation of this Policy. The principles are:

- selflessness
- integrity
- objectivity
- accountability
- openness
- honesty, and

- leadership

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 the disclosure of personal and pecuniary interests. Democratic Services maintain the register of elected members' interests supported by the Monitoring Officer.

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, the Member and Officer Relationships Protocol 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.

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

1. acknowledge any potential conflict of interest that they may have
2. be open with the Pension Fund about any conflicts that they may have
3. adopt practical solutions to managing those conflicts and take appropriate advice from a relevant officer where relevant
4. plan ahead and agree with the Fund how any conflicts of interest will be managed

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 encourages a culture of openness and transparency and encourages 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, and to do so regularly

It is the responsibility of each individual covered by this Policy to identify any instances or potential instances where their personal, financial, business or other interest might come into conflict with (or be perceived to come into conflict with) their Pension Fund duties.

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

- the individual concerned 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

What is required	How this will be done
Step 1 - Initial identification of interests which do or could give rise to a conflict.	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 and ensuring that they are kept up to date.
Step 2 - Ongoing notification and management of potential or actual conflicts of interest	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. Any individual who considers that they have a potential or actual conflict of interest which

	<p>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. Where an actual conflict of interest on an agenda item is identified, the presumption is that an individual will exclude themselves from participating in the discussion and from voting on the relevant 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>

All actual or potential conflicts of interest declared in meetings will be recorded in the minutes of the meeting and noted in the Fund’s Register of Interests. Where identified outside of meetings they will be recorded in the Funds Register of Interests.

If an interest is sensitive it should be discussed with the Scheme Manager who will take advice as to whether the disclosure of the existence of the interest rather than the detail will be sufficient.

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;
- comply with the terms of their appointment as regards conflicts of interest and probity, and
- notify the Scheme Manager immediately should a potential or actual conflict of interest arise.

Additional possible areas of conflict

Administering Authority and the County Council

The Council manages the Fund in its role as Administering Authority. There may be the potential for conflicts between the Council as an employer in the Fund and the

Council as the Administering Authority for the fund. To mitigate the risk of conflict the following principles are adopted:

- That the role of Section 151 Officer for the Pension Fund is held by the Director of Finance while the role of Section 151 Officer for the Council is held by the Executive Director of Resources.

That where tasks require a Council position and Pension Fund position, that staff are clear on their role and which position they are advising on when supporting any such tasks. In summary "In the interests of promoting probity and separation of decision making and pursuant to delegations granted by the Executive Director for Resources, the s151 officer for the Pension Fund is the Director of Finance".

Border to Coast and Warwickshire Pension Fund The Council has two relationships with the Border to Coast Pension Partnership. One is as one of the partner authorities, and owning an equal share of the company alongside other partner authorities. The Council's interest is that the company is successful in meeting its objectives which include providing appropriate investment opportunities to partner Funds that meet the requirements for pooling of LGPS funds and that enable them to reduce costs and still meet their investment objectives. The other relationship is from Warwickshire Pension Fund as a customer/client, and in this relationship the Fund's interest is to meet its fiduciary duties by expressing its investment strategy appropriately.

Examples of the potential for conflicts include (1) if/where the investment opportunity set provided by Border to Coast Pension Partnership does not provide the optimum opportunity to the Pension Fund and (2) if developments that would best benefit the company itself or the majority of its shareholders results in less optimal investment opportunities for the Warwickshire Pension Fund.

In order to mitigate the risks above, the Fund will adopt the following protocols:

- Client interactions (for example the Joint Committee) to be led by Pension Fund Officers and the Chair of the Investment Sub Committee.
- Shareholder interactions to be led by the Section 151 Officer or a representative who does not participate in client activity.

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.

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Staff and Pensions Committee

11 December 2023

Pensions Administration Activity and Performance Update

Recommendation

That the Committee notes and comments on the content of 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 arising directly from the content of this report.

4. Member Self Service (MSS)

- 4.1 The take up of MSS, split by our different types of members, is as follows:

Active	5,367	33.9% of active members
Deferred	4,340	24.2% of deferred members
Pensioner	3,996	29.8% of pensioners

- 4.2 The Pensions Admin Service (PAS) have recently sent out a communication to members to remind them to register for the MSS.

5. Pensions Administration Key Performance Indicators (KPIs)

- 5.1 Appendix 1 shows the KPI performance for the period 1 April 2023 to 31 October 2023.

- 5.2 7 out of 14 KPIs are meeting their target, with 5 seeing improvements in the total number of cases being completed within the KPI deadline.
- 5.3 KPI 1 and KPI 11 has seen a reduction in the number of cases completed due to the delay in receipt of up-to-date transfer factors from the Government Actuaries Department. There is now also a hold on some transfers between public sector pension schemes due to the implementation of the age discrimination remedy from 1 October 2023, which require further updates to the transfer factors.
- 5.4 For context, the table below shows the volume of cases per KPI and the number of cases that were dealt within the KPI target.

Key Performance Indicator	Fund Target	Total Year Cases	Full Year KPI	Cases on Target
Target performance			95.00%	
1. Letter detailing transfer in quote	10 days	289	55%	158
2. Letter detailing transfer out quote	10 days	188	85%	159
3. Process and pay a refund	10 days	193	91%	176
4. Letter notifying estimate of retirement benefits (Active)	15 days	184	91%	168
5. Letter notifying actual retirement benefits (Active)	15 days	216	100%	216
6. Process and pay lump sum (Active)	10 days	216	98%	211
7. Process and pay death grant	10 Days	73	98%	72
8. Initial letter notifying death of a member	5 days	294	93%	274
9. Letter notifying amount of dependents benefits	10 days	92	86%	79
10. Divorce quote letter	45 days	64	97%	62
11. Divorce settlement letter	15 days	2	0%	0
12. Send notification of joining scheme to member	40 days	230	98%	226
13. Deferred benefits into payment	15 days	455	98%	446
14. Calculate and notify deferred benefits.	30 days	1244	96%	1198

6. Pensioner Payroll Key Performance Indicators

- 6.1 Pensioner payroll for Warwickshire Pension Fund is administered by Warwickshire County Council's Payroll Team.
- 6.2 The table below provides information on the pensioner payroll service KPIs. Priority is given to ensuring payments are made by the agreed payment dates.

Please note the customer care indicator is only recorded for formal complaints. Nil indicates no complaints have been received.

Performance of the payroll team in managing the Pensioner payroll

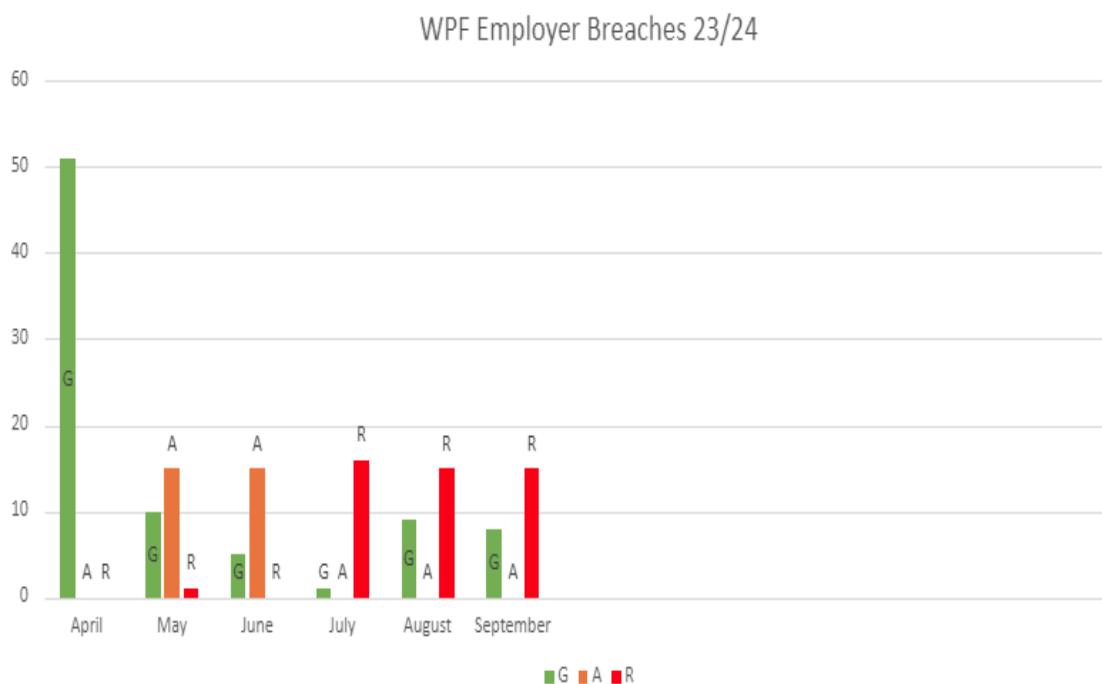
Indicator	Description	Measure	Q1	Q2
Customer Care	We will respond to any queries about service delivery within 5 days. (Formal complaints)	95% of queries will be responded to within 5 days.	NIL	NIL
Accuracy	Paying people accurately.	99% of all requested staff payments will be paid accurately.	100%	99.99%
Assurance	Paying people on time.	100% of input submitted onto Your HR before deadline will be paid on the relevant scheduled pay day.	100%	100%
Statutory returns	We will make all statutory returns by the required deadlines.	100% of third party payments and statutory returns will be submitted on or before the deadline.	100%	100%
Satisfaction with service	We will achieve constantly high levels of customer satisfaction	Traded wide net promoter score will be 8.8 or more.	10	NIL

7. Workloads

- 7.1 The PAS continues to monitor work being received by the team to ensure we have the resources to manage the workload.
- 7.2 From the 1 January 2023 to 31 October 2023 there have been 32,408 cases created and 33,104 completed. This compares to 34,576 created and 33,693 completed in the same period last year. There are currently 3,652 open cases across the section. This is a normal level of outstanding work for the Team, and we are not seeing any backlog of cases being created.

8. Breaches

- 8.1 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 not result in the necessary action required, further escalation can be used. Where a breach is escalated to Red, this must be reported to The Pensions Regulator, along with a plan for remedying the situation.
- 8.2 The table below indicates the number of breaches the Fund has recorded for the period 1 April 2023 to 30 September 2023:



- 8.3 The Red breaches relate to a multi academy trust which changed its payroll provider in April. This has led to a delay in providing information to the Fund. The Fund has been working with the Trust to try and get its monthly data extract created. The Trust has needed to seek input from its new payroll provider which has delayed completion of the work. Due to the length of time taken so far and the no receipt of data by set deadlines, this was reported to the Pensions Regulator on 8 November. At the time of writing this report we await the response from the Regulator as to whether any further action will be taken.

9. Internal Dispute Resolution Procedure (IDRP)

- 9.1 There are no IDRPs outstanding. It was previously reported that there was 1 Stage One case outstanding, where an appeal was expected, but this has still not been received.

10. McCloud Project

- 10.1 Legislation was passed on the 1 October 2023 which implemented the final changes to regulations to deliver age discrimination remedy.
- 10.2 Most of the software developments have been delivered for the PAS to accurately assess and calculate member benefits going forward for members in scope, to ensure the underpin check is completed and applied where necessary. Further developments expected in December 2023 will allow the PAS to complete the review of cases where a member has left the scheme in the remedy period. (1 April 2014 to 31 March 2022).

- 10.3 Under disclosure the Fund is required to notify all affected members of the change to legislation within 3 months. A letter and fact sheet will be sent out to all those affected by 31 December 2023. Included in this letter is a reminder to register for the Member Self-Service (MSS) portal.
- 10.4 The McCloud Project continues, with work progressing on the creation of the underpin check for retrospective cases.
- 10.5 The PAS is also now able to process all cases going forward from 1 October 2023 and apply the underpin where required, this has meant that we are not creating backlogs on these calculations.
- 10.6 We have been instructed by the Local Government Association (LGA) to postpone club transfers in and out of the scheme for members in scope (transfer of benefits between public sector pension schemes). This is due to the need for updated guidance and factors from the Government Actuaries Department (GAD).
- 10.7 The Fund has sent out communications to members, which needed to be completed by 31 December to meet with disclosure requirements.
- 10.8 Even though there are a large number of members in scope it is not anticipated that many will see an increase in their benefits for the remedy period.

11. Pensions Dashboards

- 11.1 Pensions dashboards are a government project which will enable individuals to access their pensions information online, securely and all in one place, thereby supporting better planning for retirement. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension.
- 11.2 The Local Government Association (LGA) has provided a draft guide for Funds to follow in preparation for Pension Dashboards. Fund Officers will be using this document to assist in the creation of the implementation project plan and assessment of the resources required to manage any additional work created from member queries.

Appendices

Appendix 1 – Key Performance Chart

Background Papers

None

	Name	Contact Information
Report Authors	Lisa Eglesfield, Victoria Jenks, Ian Morris, Alistair Wickens	lisaeglesfield@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk, ianmorris@warwickshire.gov.uk, alistairwickens@warwickshire.gov.uk
Director	Andrew Felton, Director of Finance	andrewfelton@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Peter Butlin, Deputy Leader and Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

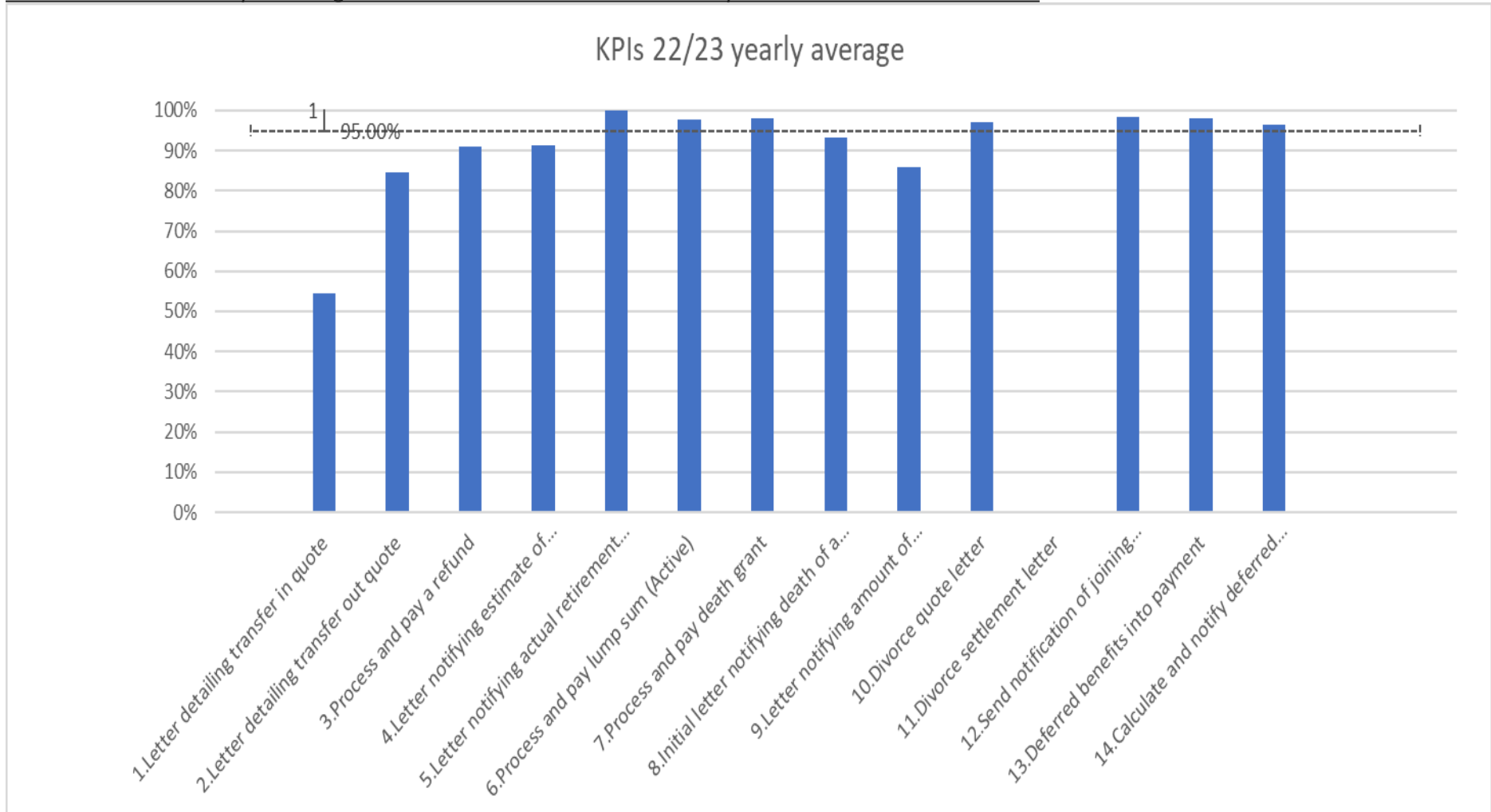
The report was circulated to the following members prior to publication:

Local Member(s): Not applicable

Other members: Cllrs Peter Butlin, Yousef Dahmash and Bill Gifford.

Appendix 1

A table that shows the percentage for each KPI which have been completed within the set time limit.



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Staff and Pensions Committee

11 December 2023

Employers Joining and Leaving the Warwickshire Pension Fund

Recommendations

That the Committee delegates authority to the Executive Director for Resources:

1. to approve applications to the Pension Fund from the employers listed in Appendix 1, subject to the applications meeting the criteria set out in the Local Government Pension Scheme Regulations 2013 and
2. to facilitate those employers listed in Appendix 1 to exit the Pension Fund.

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 applying for membership each academy will be required to confirm:
 - That it has internal authority to be admitted to the Pension Fund.
 - The number of members to join the Pension Fund.
 - That the academy will comply with the relevant LGPS Regulations.
- 1.4 The Pension Fund must accept an application from an applicant body made under paragraph 1(d) of Part 3 of Schedule 2 of the Local Government Pension Scheme Regulations 2013 where that body has undertaken to comply with the Regulations.
- 1.5 The Applicant Bodies have a contract with another Scheme Employer within the Pension Fund and have applied for admission into the Fund in respect of this contract.
- 1.6 The Applicant Bodies will be carrying out a function or service on behalf of the Scheme Employer under a contract.

- 1.7 The Applicant Bodies have confirmed that the Scheme Employer will be party to the admission agreement.
- 1.8 The Applicant Bodies have undertaken to comply with the relevant LGPS Regulations.

Cessations

- 1.9 When an employer leaves the Pension Fund the Actuary makes an assessment to see if an exit debit or credit is due. This information is then shared with the Employer and arrangements are made to collect any debit. If a credit is calculated, it is at the Fund's discretion whether this should be paid to the Employer.
- 1.10 Warwickshire Independent Schools have elected to leave the Warwickshire Pension Fund on 30 November 2023. The Fund are now working with the Actuary and School to complete the cessation.

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.
- 2.2 The Pension Fund has the discretion to pay out exit credits on cessation of membership of the Fund.

3. Environmental Implications

- 3.1 None.

4. Supporting Information

- 4.1 Warwickshire Pension Fund, Admissions and Terminations Policy 2023

5. Timescales associated with the decision and next steps

- 5.1 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.
- 5.2 Provided that the Committee is satisfied that the requirements of the regulations are met, the application should be granted.

- 5.3 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.

Appendix

Appendix 1 – Name Employers Proposed to Join and Leave the Fund

Background Papers

None

	Name	Contact Information
Report Authors	Victoria Jenks, Pensions Administration Delivery Lead	vickyjenks@warwickshire.gov.uk,
	Alistair Wickens, Employer Relations Team Leader	alistairwickens@warwickshire.gov.uk
Director	Andrew Felton, Director of Finance	andrewfelton@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Peter Butlin, Deputy Leader and Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

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

Local Member(s): n/a

Other members: Cllrs Dahmash, Gifford

Employers Proposed to Join & Leave the Fund

New Employers, including Academies proposed to join the fund:

New Academies

- Dunchurch Infant School (Coventry Diocese Academy Trust) on 1st September 2023
- Dunchurch Church of England Junior School (Coventry Diocese Academy Trust) on 1st September 2023
- Provost Williams Church of England Primary School (Coventry Diocese Academy Trust) on 1st September 2023
- Telford Junior School (Elm Tree Multi Academy Trust) on 1st September 2023
- Oakley School (Stowe Valley Multi Academy Trust) on 1st September 2023
- The Griffin Primary School (The Griffin Primary School Academy Trust) on 1st September 2023

New Contractors:

- Caterlink Limited (Stowe Valley Multi Academy Trust) on 1st October 2023

Existing employers exiting the Fund:

- Warwickshire Independent Schools – 30 November 2023

Staff and Pensions Committee

11 December 2023

Review of the Minutes of the Warwickshire Local Fire Pension Board Meetings of 5 June 2023 and 25 September 2023

Recommendation

That the Staff and Pensions Committee receive, consider, and comment on the minutes of the meetings of the Warwickshire Fire Local Pension Board held on 5 June 2023 and 25 September 2023.

1. Executive Summary

- 1.1 The minutes of the meetings of the Local Fire Pension Board held on 5 June 2023 and 25 September 2023 are attached as appendices.

2. Financial Implications

- 2.1 None

3. Environmental Implications

- 3.1 None

4. Supporting Information

- 4.1 None

5. Timescales associated with the decision and next steps

- 5.1 None

Appendices

1. Minutes of the meeting of the Local Fire Pension Board held on 5 June 2023
2. Minutes of the meeting of the Local Fire Pension Board held on 25 September 2023

	Name	Contact Information
Report Author	John Cole, Senior Democratic Services Officer	johncole@warwickshire.gov.uk Tel: 01926 736118
Director	Andrew Felton, Director of Finance	andrewfelton@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Peter Butlin, Deputy Leader and Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

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

Local Member(s): n/a

Other members: none

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

Monday 5 June 2023

Minutes

Attendance

Committee Members

Martin Reohorn (Chair)
Councillor Brian Hammersley
Caroline Jones
Paul Morley

Officers

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

Others Present

Helen Scargill, West Yorkshire Pension Fund

1. General

(1) Apologies

Apologies were received from Sally Waldron.

(2) Board Members' Disclosures of Interest

There were none.

(3) Public Minutes of the Previous Meeting

The minutes of the meeting held on 15 February 2023 were approved as an accurate record, subject to a small amendment in the minute relating to the Risk Monitoring report regarding a collective claim.

2. Administration update - 1st year review

The item was introduced by Vicky Jenks (Pensions Admin Delivery Lead), who explained the purpose of the report was to review the first year of the pensions administration partnership with the West Yorkshire Pension Fund. In particular the report showed progress being made regarding the submission of pay information to West Yorkshire by WCC payroll and the ongoing work relating to reconciliation of pensioner payments and overall delivery of services.

Responding to a question from the Chair, Vicky Jenks said it had taken slightly longer than anticipated to embed the new payroll process and additional training had been required. There had also been some adjustments needed to account for how West Yorkshire required data to be submitted and the work to correct any errors on the monthly extract reports. Generally however the service was now working as expected as new routines are becoming the norm and the backlog of monthly payroll reports had been caught up on. This was confirmed by Helen Scargill, who said the West Yorkshire Pension Fund was receiving the data in a timely manner and it was now the data that had been requested. Helen Scargill confirmed that the service was working well however the unexpected work due to the mismatch between the data held by admin and payroll for pensioners, had led to records needing to be checked to confirm the correct information.

Paul Morley noted an item had been raised and discussed in detail at a recent conference regarding data accuracy, and asked if it was worth having a standing item at future meetings on data accuracy in case it was a significant issue. Councillor Hammersley asked for clarification on whether issues relating to data were due to system or human error. Vicky Jenks said firefighter pension schemes consisted of ten different categories that had different regulations, which made them complex to administer, and errors could be caused by the software and by the wrong indicators being inputted manually. She said part of the reason for having the partnership with the West Yorkshire Pension Fund was to provide greater resilience and staff knowledge of pensions administration. It was hoped the improvements in data quality would continue as the partnership developed over time, although it was accepted there may be some further historic issues that would need resolving in the future. The Chair said the Hereford and Worcester Fire and Rescue Service had noticed a similar pattern when its pension scheme started to be administered by West Yorkshire.

Paul Morley accepted pensions administration was becoming increasingly complex and stated his belief the West Yorkshire Pension Fund were providing a good service. However he said the errors from the various sources could accumulate and become a greater issue affecting people's pensions that could significantly impact payment of pensions due in the future. He said he had been contacted by some scheme members who had noticed problems with their pension contributions deducted from their pay. Liz Firmstone (Service Manager – Transformation) said she would liaise with Paul Morley about those issues to see if any training needed to be implemented between fire pensions and payroll to address the issues at source. Vicky Jenks said data quality was on the risk register as it was a known ongoing issue where improvements needed to be made. Councillor Hammersley said monitoring would help pick up on any regular trends that could be corrected at source.

The Chair said there should be a short item on the agenda of the next meeting providing an update on issues relating to data quality and accuracy, including the source of the problems and what had been done to rectify them. This would be done as a summary and would not go into detail of

individual cases. This report would be done on a trial basis to see if it needed to be provided as a standing item at all future meetings.

Vicky Jenks also drew members' attention to the report referring to two KPIs that had not been delivered, although neither of these were considered to be concerning matters.

3. Governance and Policy Update

The item was introduced by Vicky Jenks. She reminded members the Home Office had published a consultation on the firefighter's pension scheme and remedial service regulations on 28 February 2023. This had closed on 23 May and a note had been circulated to stakeholders notifying them of this. This consultation is for the second part of the remedy that is required to rectify benefits and give members the deferred choice option when they retire, namely whether to take legacy (final salary) benefits or Reform (CARE) benefits for the remedy period from 1 April 2015 to 31 March 2022) Vicky Jenks said the LGA had raised questions about the consultation as some of the draft regulations do not appear to deliver what is expected.

A consultation on the second retained modified exercise was ongoing.

There had been changes relating to tax announced in the most recent Budget. These have been communicated with active members who would be affected by the changes. Vicky Jenks said the Council had so far only communicated with current active members using the internal email facility. Information had not yet been shared with deferred members. It was not known if the information would be included on the annual benefit statements for deferred members. Some benefit calculations (transfers) had been suspended while the administrators waited for new factors to be released.

The Chair said the LGA response to the remedy consultation appeared to say that immediate detriment that had been paid prior to remedy had not been adequately dealt with. Vicky Jenks said the Warwickshire Pension Fund would continue to monitor any developments relating to the remedial scheme.

The retained firefighters pensions consultation would be closing on 9 June. It was likely anything the Warwickshire Fire and Rescue Service had to say in relation to this would be a duplication of the LGA submission. The Fund would look out for any response from the LGA on this consultation.

4. Risk Register

Vicky Jenks told members a new item had been added to the risk register specifically relating to the second modified exercise for retained, because there was a risk with that project as the Council may not have all of the pay data required to calculate someone's benefits. Associated to it was the risk that the Council had not been able to get in contact with all those in scope, and how this could affect delivery of the project. This piece of work would need to be completed by the members of the Pensions Administration team at Warwickshire as the West Yorkshire Pension Fund did not have access to the pay data for people who were not currently in a pension scheme. Vicky Jenks said a project team was in the process of being established to consider what needed to be done and how it would be delivered, drawing on lessons learnt from the first modified exercise. It was likely there would be sufficient resources within Warwickshire to complete the project.

5. Forward Plan

Following discussions it was agreed that training relating to the modified scheme be deferred until November, as the regulations were not due to take effect until after the next scheduled round of training in September. It was agreed to hold an overview session and a technical session at a later date.

Vicky Jenks acknowledged Councillor Hammersley was still in need of new member training. Sally Waldron would also require this training, but there was also still a vacancy on the Board. It was agreed the new member training would take place after the position had been filled. The Chair said two new members had recently joined the Board at Hereford and Worcester, and suggested a joint training session involving them as well.

6. Any Other Business

There were no additional items to discuss.

7. Future Meeting Dates

Members noted the future meeting dates.

The meeting rose at 2.39pm

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Chair

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

Monday 25 September 2023

Minutes

Attendance

Committee Members

Martin Reohorn (Chair)
Councillor Brian Hammersley
Caroline Jones
Paul Morley

Officers

Victoria Jenks, Pensions Admin Delivery Lead
Andy Carswell, Democratic Services Officer
Nicole Conway, Trainee Democratic Services Officer
Martin Griffiths, Technical Specialist Pensions Fund Policy and Governance

Others Present

Helen Scargill, West Yorkshire Pension Fund
David Vazquez, Observer

1. General

The Chair introduced members to David Vazquez, who, subject to approval at Full Council the following day, would be filling the vacancy on the Board.

(1) Apologies

Apologies were received from Liz Firmstone.

(2) Board Members' Disclosures of Interest

There were none.

(3) Public Minutes of the Previous Meeting

The minutes of the meeting held on 5 June 2023 were approved as an accurate record.

2. Administration Update

The item was introduced by Vicky Jenks (Pensions Administration Delivery Lead). She advised the administration update was based on the monthly reports received from the West Yorkshire Pension Fund. The most recent information contained in the update was from the July report, although the August update had now been received and would be circulated separately to stakeholders. Vicky Jenks said there were no significant updates to advise the Board on. Data was continuing to be monitored, with the Fund working with payroll to ensure there were no discrepancies. Work on the reconciliation of pensioner payments was nearly finished. Vicky Jenks reminded members that the legislation arising from the second retained modified exercise was due to come into place from 1 October. Once it had taken effect, the Warwickshire Fund would need to liaise with the West Yorkshire Fund to set up records relating to which members had made a decision on purchasing service.

Responding to a question from the Chair regarding preparedness for remedy, Vicky Jenks said the data had been submitted to the West Yorkshire Fund but it had been returned because there were some queries. The updated data had now been resubmitted but had not yet been analysed.

Helen Scargill (West Yorkshire Pension Fund) said a webinar relating to the GAD contribution calculator had been arranged. Vicky Jenks said an officer from Warwickshire would be attending. Helen Scargill said the West Yorkshire Fund was preparing for the first batch of post-1 October retirements; however there had been a delay in the relevant remedial service statement being made available. Officers had therefore had to make changes to the West Yorkshire Pension Fund's retirement pack to ensure compliance with the new code. Helen Scargill said she hoped payments would still be made either on time or with minimal delay, as the contributions could not be calculated yet. She added she did not believe any Warwickshire pension scheme holders would be affected. Paul Morley said the first retirees were due in January, which would mean there could be some notifications in November. Helen Scargill confirmed the West Yorkshire Pension Fund would use the LGA version of the retirement pack once it was available.

Responding to a question from the Chair, Helen Scargill said there were 373 members who had registered online and were active users. She said she would look at what this amounted to in percentage terms, and how this compared to other clients administered by the West Yorkshire Pension Fund.

Members noted the contents of the report.

3. Governance and Policy Update

The item was introduced by Vicky Jenks, who advised the main points of interest continued to be the MacLeod age discrimination work and the Matthews second retained exercise. The Home Office had submitted its comments on the two consultations.

A training log had been created for Board members, to keep track of any upcoming training sessions and if there were any gaps in member knowledge. Training for new Board members was scheduled for November, and there would also be training on the second modified exercise.

Vicky Jenks confirmed there had been no breaches since the last update. This would be included in the administration update. The Chair said the topic of breaches had been discussed at the Pension Regulator Conference the previous week, and concerns had been raised that they were not being reported properly.

Members noted the contents of the update.

4. Risk Register

Vicky Jenks said the risk register had been revised but there were no significant updates since the last meeting. Risks relating to the second modified exercise had been added to the register.

Helen Scargill said the West Yorkshire Pension Fund would be moving to a cloud-hosted system for its pensions dashboard and a service provider had been identified.

Responding to a question from the Chair, Helen Scargill said there was a minimal number of people that the Fund did not have address details included on the system. The vast majority had been confirmed during the first exercise. Vicky Jenks said there were around 120 individuals who were members of the Warwickshire Pension Scheme that had been identified as being within scope, and letters had been sent to all of them. Of these, around 30 had responded. Messages had been sent through the retained fire stations to see if more members could be contacted. Consideration would be given to using a tracing scheme for members who had not responded.

Members noted the contents of the risk register and the update.

5. Forward Plan

Vicky Jenks reminded members of the training log, and of the upcoming exercises for completion. A review of the discretions policy was scheduled for the February meeting. There were 53 discretions that needed to be looked at. Legal colleagues were conducting a review of the Board's terms of reference.

6. Any Other Business

The Chair said he had attended the LGA's Firefighter Pension Scheme AGM the previous week. Updates on the Matthews calculator and communications were given. Vicky Jenks said Lisa Eglesfield was attending the GAD calculator session.

7. Future Meeting Dates

Members noted the dates of future meetings. It was agreed one of the forthcoming meetings should take place in person.

The meeting rose at 2.32pm

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Chair

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