

Staff and Pensions Committee

Monday 8 March 2021

Minutes

Edited Version for the Local Pension Board

Attendance

Committee Members

Councillor Kam Kaur (Chair)
Councillor Neil Dirveiks
Councillor Bill Gifford
Councillor John Horner
Councillor Andy Jenns
Councillor Bhagwant Singh Pandher

Officers

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance
Sarah Duxbury, Assistant Director - Governance & Policy
Andrew Felton, Assistant Director - Finance
Liz Firmstone, Service Manager (Transformation)
Victoria Moffett, Lead Commissioner Pensions and Investment
Isabelle Moorhouse, Trainee Democratic Services Officer
Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk)
Kate Sullivan, Lead Commissioner - Culture, Leadership and Performance
Rebecca Sacher, OD Practitioner

1. General

(1) Apologies

None.

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests

In response to a question from Councillors Neil Dirveiks and Andy Jenns about speaking and voting on item 7, Sarah Duxbury (Assistant Director – Governance & Policy) advised that being a member of North Warwickshire Borough Council did not prevent them from participating on the item.

Sarah Duxbury informed the committee that she was on the Board of Directors for Lawyers in Local Government (referred to in the report at agenda item 6).

(3) Minutes of previous meeting

The minutes of the 14th December 2020 were approved as a true and correct record.

2. Internal Disputes Resolution Procedures for Pensions Disputes

Neil Buxton (Technical Specialist Pensions Fund Policy and Governance) stated that all pension schemes require a grievance process around pension entitlement for members. In the Local Government Pension Scheme, the employer will deal with issues like the amount that the member will pay in or the benefits that the member is entitled to. If there was an ill health retirement, the employer will decide with medical advice, whether it was tier one, two or three case. The fund administrator would calculate the benefit entitlement amount payable to the member. Most pension disputes were informally resolved by the pension team. If a scheme member appeals against a decision made by their employer, the employer will appoint an independent nominated person (who has not been involved with the case before) to review the circumstances of the case. If the appeal is successful, the member's entitlement will be reviewed, if not, the member can escalate their grievance to Stage 2 of the process and their case will be reviewed by the Chief Executive of the County Council who can seek advice from independent advisers. Following this stage, if the member remains dissatisfied, they may contact the Pension Ombudsman to review their grievance and ultimately on to the High Court. Neil Buxton confirmed that Warwickshire's Pension Fund information sheets and claim forms for the dispute procedures had also been reviewed and updated.

In response to the Chair, Neil Buxton stated that few disputes were considered under the procedure but the ones that were received were mainly related to ill health entitlement.

In response to Councillor Dirveiks, Neil Buxton stated that the forms were available online, but paper copies of any disputes would need to be sent to the pensions team.

Resolved:

That the Staff and Pensions Committee note and comment on the Internal Dispute Resolution Procedures.

3. IDRP - Employer Decisions

Sarah Duxbury stated that agenda items two and three were linked and this report related to decisions that were required to be taken at stage one of the internal disputes resolution procedure but from the employer's side. The report was asking the committee to confirm the decision-making routes at officer level when these pensions disputes arise from the employer side.

Resolved:

That the Committee approves initial stage employer decisions under the Pensions Internal Dispute Resolution Procedure (IDPR) being made by Tier 3 Managers (or their nominee) and Stage 1 employer decisions being made by Assistant Directors (or their nominee) as set out in Section 4.5.

5. Communications Policy

Chris Norton (Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) stated that the policy had been updated and was presented to the Committee for comments. The fund team had gathered a list of all the policies relating to the fund's activities and designed a schedule to make sure that they were all reviewed on a timely basis. Whilst other funds update all their policies on an annual basis, Warwickshire's Pension's approach has been to schedule the reviews over a period to make it more manageable. There were proposals in development to initiate member self-

service with the I-Connect system which will automate data trafficking between employers and the fund.

Liz Firmstone (Service Manager (Transformation)) informed the Committee that by the end of March 2021, phase three of the I-Connect project would be completed so 58% (108 of 186) of employers and 12,800 people will be on I-Connect; this will include all of the payrolls that the County Council runs both for its staff and on behalf of other organisations. The fourth phase was due to start at the end of June 2021. The Office of the Police & Crime Commissioner and the district and borough councils were yet to be put on the system.

Councillor Dirveiks suggested moving the general enquiry details to page two from page 5 so it would appear before the policy itself and that all acronyms should be explained. The Chair concurred with these points and Chris Norton agreed to make these changes.

Resolved:

The Staff and Pensions Committee are asked to review and approve the updated Communications Policy.

6. Pensions Administration Activity and Performance update

Liz Firmstone reported that the I-Connect project to automate the submission of member data and contributions by employers was on track, with 58% of employers due to have gone live by the end of Phase 3, representing 12,800 (85%) of active scheme members.

The Committee was informed that KPIs (key performance indicators) ensured a high quality of service, made sure that resources were directed where needed and helped to mitigate any issues. Latest KPI information was being used to target training in areas where processes and staffing have changed. I-Connect will bring in workload in consistent ways so workload peaks and troughs will be avoided. The breaches noted in the report were primarily due to employers submitting either member data or contributions late and the amber breaches were primarily where an employer did this very late once or several times; the format of how this is presented may change to allow for comparisons pre and post-I-Connect.

Following a query from the Chair on breaches, Liz Firmstone stated that the breaches policy had triggers on how late a submission has to be for it to go from green to amber and how many times an employer has to be late in a timeframe for it to be escalated. All late submissions were followed up and there was engagement with relevant employers to resolve any issues.

Following a question from Councillor Gifford, Liz Firmstone stated that Warwickshire County Council breached when it changed HR systems with a legacy issue of transferring data from the new HR system to the pensions system had been followed up and had since been resolved. She confirmed that the I-Connect system would take the relevant information from the payroll, which would help to avoid future delays in submission by employers.

Liz Firmstone reminded the Committee that the purpose of the McCloud project is to remedy issues relating to age discrimination arising from the McCloud-Sergeant cases when pensions reforms were introduced. Aon have been brought in to manage the project and act as technical specialists. The project will last 2½ years and will seek to help any pension fund members affected. She concluded that the government had disapplied the regulations on exit payments after stating that there would be unintended consequences because of applying regulations. Their initial plans would have had a significant impact on many people leaving local government employment, and not just those cited in the original consultation who were

high earners. The government is expected to come back with an alternative exit cap proposal later in 2021.

Resolved:

Staff and Pensions Committee note this report.

7. Employers joining and leaving the Warwickshire Pension Fund

Chris Norton noted that most employers joining the fund were schools and academies and this report also included three other employers who were entitled to join as long as the scheme criteria were met.

Resolved:

1. 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:
2. New Academies
 - Kingsway Primary (Part of Community Academy Trust) 1/12/21
 - Lillington School (Finham Park Multi Academy Trust) starts 1/1/2021
 - Trinity School (part of Our Lady of Lourdes MAT starts) 1/1/2021
 - All Saints Bedworth school (part of Coventry Diocese MAT) start date 1/2/2021
3. New Employers
 - Sure Maintenance 21/12/2020
 - Caterlink start 1/1/2021
 - Baileys Catering (Shotton) 1/1/2021

8. Revocation of the Exit Cap

Liz Firmstone reiterated that the regulations had been disapplied and that government were expected to publish alternative proposals in due course.

The meeting rose at 14:52

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Chair