

Staff and Pensions Committee

Monday 13 September 2021

Minutes

Edited for the Local Pension Board

Attendance

Committee Members

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

Officers

Barnaby Briggs, Deputy Chief Fire Officer
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 Jenks, Pensions Admin Delivery Lead
Isabelle Moorhouse, Democratic Services Officer
Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk)
Keira Rounsley, Senior EDI Practitioner
Kate Sullivan, Lead Commissioner - Culture, Leadership and Performance
Gary Summerfield, Health, Safety & Wellbeing Technical Specialist

1. General

The Chair updated the committee on Councillor Jenns' recovery.

(1) Apologies

Councillor Andy Jenns was substituted by Councillor Kam Kaur

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

None

(3) Minutes of previous meeting

Councillor Christopher Kettle notes that it should say 'officers' instead of 'officer' on page one.

The rest of the minutes were approved as a true and correct record.

7. Pensions Administration Activity and Performance

Vicky Jenks (Pensions Admin Delivery Lead) informed the Committee that the I-Connect project was completed with 179 employers and 16,909 employees on the system. Five employers were not on the system yet due to changes in their payroll providers and one struggling with the I-Connect system. Support was being provided with this. Vicky Jenks thanked the pension, payroll, and ICT teams for their help with the I-Connect roll out.

10 out of 14 KPIs (key performance indicators) were being achieved and the four not achieved were being addressed. Due to the additional work created by the annual benefit statements project some KPIs were missed. Resources have been moved around to clear any work building up.

I-Connect has reduced the number of breaches due to a better engagement and escalation policy with fund employers.

The McCloud Project (age discrimination remedy) is progressing and further information regarding changes to the local government pension scheme is expected towards the end of the year.

Further legislation regarding exit payments is also expected towards the end of the year.

Annual benefit statements have been produced during the summer; however, 189 statements were not produced at the time of the meeting due to employers needing to correct data submitted. However, 99% of statements were sent out on time. Due to the small number not sent out, this was not deemed of material significance and will not need to be reported to the Pensions Regulator.

There was one stage 1 appeal under the internal dispute's resolution procedure (IDRP), but this was not upheld.

The Chair praised the progress on the I-Connect system and the benefits of it. Vicky Jenks stated that they were consulting with the software supplier of I-Connect to initiate member self-service and allow people to view their pension records, update their personal details and run their own estimates.

Resolved:

Staff and Pensions Committee note and comment on this report.

10. Policy and Regulatory update

Neil Buxton noted that there had been an amendment to the admissions and terminations policy and funding strategy statement (FSS) to reflect changes to legislation that enabled the fund to accept an application to amend employers' contribution rates and more flexibility on how to deal with cessation payments for employers leaving the pension fund. It was noted that there had as a result been a minor amendment to the admissions and terminations policy reflecting that change.

There is an ongoing governance review nationally with the Scheme Advisory Board and the Pension Regulator (TPR) is reviewing its Code of Practice. The consultation by TPR of the code of practice is delayed and the new legislation for this should be implemented in Spring 2022. Officers will, however, start to review policies and practices in anticipation of expected changes from the governance review and code of practice.

There is a consultation on special severance payments (non-statutory payments such as garden leave etc) where the government expects greater transparency and sign-off by local authorities

for such payments. Although there is no change to statutory redundancy payments the Government is continuing its review of exit payments.

HM Treasury asked the Government Actuary's Department (GAD) to review the cost management mechanism (where LGPS costs can be shared more equally between employers and members); costs were expected to rise but in fact, the cost of benefits was reduced. Several recommendations were made following this review including a minimum death in service benefit, reduced early retirement factors (that would have meant higher benefits payable on retirement, etc), and possible changes to the contribution rates. These amendments were put on hold because of the potential costs caused by the McLoud settlement. The consultation by GAD has proposed changes to the process of review and includes an amendment to the ceiling and floor before a review takes place from 2% to 3% and greater emphasis on current market conditions. It is unknown if the suggested amendments from the last review (the benefit improvement mentioned above) will be implemented.

Resolved:

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

11. Employers joining and leaving the Warwickshire Pension Fund

Vicky Jenks presented the report and referred to the recommendations.

In response to Councillor Kettle, Vicky Jenks clarified that Sodexo was the firm that applied to the fund and that checks would be made to ensure the firms full company name would be listed on the admission agreement.

Resolved:

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 set out in the Local Government Pensions Scheme Regulations 2013.

1. New Academies

- Brailes C of E Primary School (1st August 2021)

2. New Employers

- Sodexo (1st August 2021)
- Prime Facilities Services (8th June 2021)