

# Staff and Pensions Committee

Monday 12 June 2023

## Minutes

### Attendance

#### Committee Members

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

#### Officers

John Cole, Senior Democratic Services Officer  
Sarah Duxbury, Director of Governance and Policy  
Andy Felton, Director of Finance  
Liz Firmstone, Head of Finance Transformation and Transactions  
Martin Griffiths, Technical Specialist – Pension Fund Policy and Governance  
Vicky Jenks, Pensions Administration Delivery Lead  
Chris Norton, Head of Investments, Audit and Risk  
Kate Sullivan, Lead Commissioner – Culture, Leadership and Performance

### 1. General

#### (1) Apologies

Apologies were received from Councillor Bill Gifford.

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

There was none.

#### (3) Minutes of Previous Meetings

##### Resolved:

That the minutes of the meetings held on 6 March 2023 and 16 May 2023 be approved as a correct record and signed by the Chair.

There were no matters arising.

## **2. Appointment of Vice-Chair**

Councillor Mandy Tromans proposed that Councillor Bill Gifford be Vice Chair of the Committee and was seconded by Councillor Sarah Millar.

There were no other nominations.

### **Resolved:**

That Councillor Bill Gifford be appointed Vice Chair of the Staff and Pensions Committee for the ensuing municipal year.

## **3. Annual Review Focus on Engaging with Our People**

Kate Sullivan (Lead Commissioner, Culture, Leadership and Performance) introduced the report which provided a summary of employee engagement activities undertaken since the introduction of a new approach to engagement in 2022/23. The report outlined key achievements; areas for development; a focus on equality, diversity, and inclusion (EDI); and objectives for 2023/24.

Kate Sullivan reported that:

- Engagement with colleagues in 2022/23 had been supported by three touchpoints throughout the year, two surveys, as well as the 'Big Conversation' hosted by Directors.
- YourSay survey results had been made available to Tier 4 managers in 2022/23 making it possible for managers to consider and act on the findings of the survey.
- Response rates to surveys had increased to 40% in July 2023, and 43% in February 2023.
- Employee engagement had improved by 2%, rising from 74% to 76% during 2022/23.
- Workload was a key focus during 2022/23 with 77% of colleagues agreeing that they were able to achieve a good balance between their work and personal life.
- There had been an in-year increase from 62% to 64% of colleagues who agreed that they had a manageable workload.

Kate Sullivan reported that a new set of questions had been introduced in 2022/23 focusing on EDI. It had been found that the least engaged colleagues had chosen either not to respond or selected 'prefer not to say' when asked about protected characteristics. Efforts would be made to seek improved engagement in this area.

Kate Sullivan outlined the priorities for 2023/24 which included:

- Maintaining participation in YourSay activities.
- Securing health insight to support the wellbeing offer with a focus on workloads.
- Supporting teams to take action locally, encouraging regular and open conversations.
- A 'Community Teams' project to engage more fully with colleagues who were not routinely office-based.

In conclusion, Kate Sullivan reported that 2022/23 had been a successful year. Key business measures had scored above 75% which was a positive outcome. The YourSay engagement approach had been launched successfully with new branding, communication, and intranet

resources. In the year ahead there would be a continued focus on workload and wellbeing, as well as maintaining and increasing response rates.

Councillor Millar praised the quality of the report. She highlighted that response rates had increased but remained below 50%. She asked how further progress to increase response rates could be made. She noted that the 12% rate of attendance of the 'Big Conversation' was relatively low and asked how participation could be improved in future.

Kate Sullivan stated that it was encouraging that the response rate had increased which had been a targeted outcome. However, achieving improved participation was a priority. This would be supported by the Community Teams project to reach out to colleagues who were not routinely office-based. Efforts would also be made to liaise with Executive Directors to examine response rate data leading to engagement with specific teams where response rates had been low. She advised that Big Conversations had been held as hybrid sessions to enable colleagues to join virtually. The sessions had been recorded to allow staff who had been unable to attend to watch a recording.

In response to Councillor Hammersley, Kate Sullivan stated that it was acknowledged that 36% felt that they did not have a manageable workload. An option had been provided to allow colleagues to leave comments to elaborate on their survey responses. These comments had been collated and analysed. From this, the Big Conversation had been launched with a focus on workloads. When supporting Big Conversation sessions, Directors gathered ideas and suggestions for how workloads could be most effectively managed. This would continue to be an area of focus in 2023/24.

Councillor Tromans noted that the proportion of staff who had agreed to the statement "I believe action will be taken as a result of the YourSay Survey" was relatively low at 42%. She asked how this could be improved.

Kate Sullivan advised that this was among the lowest scoring survey statements. Scoring had been tracked over several years. Since 2019, the proportion of staff indicating that they believed action would be taken as a result of the survey had increased. The decision to share survey results with Tier 4 managers was anticipated to lead to a further improvement. It would enable discussion and focused analysis looking at the implications of survey responses at a team level as well as more broadly across the organisation.

In response to the Chair, Kate Sullivan offered to provide details of how much lower those members of staff who preferred not to disclose protected characteristics scored against the three wellbeing questions outlined on page 8 of the Our People Annual Review 2023/24. This information would be circulated to the Committee following the meeting.

In response to Councillor Hammersley, Kate Sullivan advised that scoring for the statement "I am able to take responsibility for my own performance" provided an indication of whether staff felt as though they had a clear idea of what was expected of them, and the extent by which they could take personal responsibility for their work. The results of the engagement questions provided a set of performance measures that could be viewed alongside other performance measures to indicate how effectively the organisation was performing across targeted outputs.

In response to the Chair, Kate Sullivan advised that the statement “I feel safe to be my authentic self” had been included to develop an idea of the extent by which people felt able to bring their whole self to work. The Our People Strategy aimed to ensure that an individual felt able to bring their authentic self and whole lived experience to work, rather than feel it necessary to adopt a different persona at work. The survey was anonymous so the identities of individuals who indicated that they did not feel safe to be their authentic self were not known. However, there were ways to explore the subject in more detail. The results of the survey were shared with the Council’s EDI Group to enable consideration to be given to why some staff felt unable to bring their whole self to work and how action could be taken to bring about an improvement.

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

**Resolved:**

That the Staff and Pensions Committee notes the Annual Review of engagement activity for 2022/2023 and endorses the future activities outlined within the report.

**4. Regulatory and Policy Update Report**

Martin Griffiths (Technical Specialist – Pension Fund Policy and Governance) introduced the report which provided a summary of recently reviewed Pension Fund policies and gave an update on regulatory developments in the pensions arena. He advised that:

- A Data Retention Policy had been produced by officers as it was considered that the specific procedures followed by the Fund relating to data retention should be formalised within a policy. Guidance from the Local Government Association (LGA) had been utilised to develop the Policy. The Committee’s approval was sought for the new Data Retention Policy.
- The Single Code of Practice was a major piece of work being undertaken by the Pensions Regulator. Potentially, it could result in recommendations that would apply across the pensions sector. Publication of the recommendations was anticipated quite soon. Once published, these would be reviewed by officers to determine if any changes should be made to Fund policies.
- In addition to the information within the report relating to the progress of the McCloud Remedy, the Government had published a consultation and draft regulations on 30 May 2023. The consultation would close on 30 June 2023.
- The Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate had been reduced. As a result, it had been necessary for the Pensions Administration Team to temporarily halt many of the calculations it carried out as the factors being used had been superseded. Since then, updated factors had been received, allowing work to continue.
- The Pensions Dashboard initiative was proposed to enable individuals to access their pensions information online, securely, and in one place (including occupational, private, and state pensions). Since publication of the report, an update had been provided by the LGA to advise that the deadline for connection to the Dashboard had been set as October 2026.

Progress would continue to be made to ensure that data was of suitable quality to fulfil the necessary requirements.

- The age at which a member can be automatically enrolled to a pension scheme had been amended from 22 to 18. This was to give more people the opportunity to join a pensions scheme. The change had been made as result of concerns that many people were estimated to be under-saving for retirement.

The Chair expressed his thanks to Martin Griffiths and pension teams colleagues for the guidance and advice that had been provided since he assumed the role of Chair of the Committee.

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

### **Resolved:**

That the Staff and Pensions Committee:

1. Notes the updates contained in the Report, and
2. Approves the new Data Retention Policy drawn up for the Warwickshire Pension Fund (attached at Appendix 1).

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

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 provided an update on the progress of the Member Self Service (MSS) initiative. The Fund had ceased posting paper payslips. Efforts had been made to encourage more members to sign up to MSS and provide an email address to receive e-payslips. There had been a mixed success rate. Many pensioners had signed up, but there was more work to be done to find out why others had not responded.

In response to Councillor Hammersley, Vicky Jenks advised that paper payslips could be provided to pensioners on request. Other than this, paper payslips would not be posted. Since drafting of the report, the number of requests to sign up to MSS had increased to around 3,500 pensioners. It would be necessary to find out why others had not responded. A reminder would be circulated within the next Pension Newsletter.

Andy Felton (Director of Finance) stated that the Fund had a legal obligation to notify pensioners of any changes to their pension – for example, when there had been an annual uplift. However, there was no statutory obligation to send paper payslips.

In response to Councillor Kettle, Vicky Jenks advised that the key performance indicator (KPI) for 'letter detailing transfer in quote' was below other performance metrics as there had been an increased number of requests. As people changed jobs more frequently, more transfer-in quotes had been requested. Also, the process depended on information provided by other parties which could cause delays. There was a need to improve performance in this area whilst recognising that other duties were treated as higher priorities.

Vicky Jenks advised that if the target response time was extended from 10 days to 20 days, the KPI score would be much improved. The target of 10 days had been set around three years ago, since then the number of requests had significantly increased.

Andy Felton stated that this prompted two options – either to amend the target response time or for the Pension Fund to provide for increased resources to deal with the higher number of requests being received. A report outlining these options could be presented to the Committee at a future meeting.

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

### **Resolved:**

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

## **6. Pensions Overpayment Policy**

Vicky Jenks (Pensions Administration Delivery Lead) introduced the report which provided details of the proposed Pensions Overpayment Policy. She advised that the Policy had been devised to minimise the risk of overpayment. However, if an overpayment did occur, it would be important to ensure that the Fund had a set procedure to deal with it properly and effectively. The Committee's approval of the Pensions Overpayment Policy was sought.

In response to Councillor Millar, Vicky Jenks advised that various measures were in place to mitigate the risk of overpayment. Robust processes were in place when a pension was initially set up, this provided an opportunity to avoid problems occurring in future. It also ensured that pensioners had a clear idea of the starting amount. She accepted that if pensioners did not receive either a paper payslip or e-payslip then it would be more difficult to detect an overpayment. However, reconciliation of payments processes were regularly undertaken. Each year, pensions were updated in line with the pensions increase. Every April, a check was made to ensure that payments were in line with expectations.

In response to Councillor Hammersley, Vicky Jenks advised that the Department for Work and Pensions (DWP) 'Tell Us Once' service provided an effective means of notification when a death had been registered. Also, the Fund was usually contacted by the next of kin following the death of a pensioner. Under the National Fraud Initiative (NFI), a check of the pensions roll was made against registered deaths every two years. The adoption of the Member Self Service (MSS) system meant that there was capacity to undertake NFI checks more regularly. If payments had been made following the death of a pensioner, efforts were made to claim the money back provided the sum was over £250. However, the 'Tell Us Once' service worked well so it was rare for payments to be made following the death of a pensioner.

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

**Resolved:**

That the Staff and Pensions Committee:

1. Approves Warwickshire Pension Fund's policy on Pension Overpayments (the Pension Overpayments Policy).
2. Delegates to the Strategic Director for Resources the authority to update the Pension Overpayments Policy as required from time to time to reflect changes in working practice and/or the law.

**7. Warwickshire Pension Fund - Revision of Early Retirement Strain Cost Factors**

Vicky Jenks (Pensions Administration Delivery Lead) introduced the report which outlined changes that had been made to early retirement strain cost factors. These factors were used to calculate the cost of allowing somebody to retire early. It had been necessary to revise strain cost factors because of changes to the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate which influenced the cost of pension liabilities. The Committee was asked to ratify the proposed changes.

In response to Councillor Hammersley, Andy Felton (Director of Finance) advised that the cost to enable an early retirement was met by the member's employer. This was because early retirements were usually determined by the employer – for example, when redundancies were made.

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

**Resolved:**

That the Staff and Pensions Committee notes the information provided in the report and ratifies the revision of the Early Retirement Strain Cost Loading Factor for the Warwickshire Pension Fund.

**8. 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.

**9. Exempt Minutes of the Previous Meeting****Resolved:**

That the exempt minutes of the meeting held on 6 March 2023 be approved as an accurate record and signed by the Chair.

There were no matters arising.

The meeting rose at 14:41.

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Chair