

Staff and Pensions Committee

Monday 10 June 2024

Minutes

Attendance

Committee Members

Councillor Bill Gifford (Vice Chair in the Chair)
Councillor Brian Hammersley
Councillor Christopher Kettle
Councillor Mandy Tromans

Officers

John Cole, Senior Democratic Services Officer
Sarah Cowen, Legal Service Manager – Corporate
Lisa Eglesfield, Pensions Administration Service Manager
Liz Firmstone, Head of Finance Transformation and Transactions
Lucy Gillings, Service Manager – Workforce Development
Paul Morley, Area Manager – Response, Warwickshire Fire and Rescue Service
Rob Powell, Executive Director for Resources
Sara Rafaty, Trainee Solicitor
Dapo Shonola, Lead Commissioner – Pensions and Investment
Kate Sullivan, Strategy and Commissioning Lead for Organisational Development

1. General

The Chair reminded attendees that the meeting was being held during a period of heightened political sensitivity ahead of the General Election on 4 July 2024. Therefore, particular care was needed to ensure that comments or questions could not be perceived as seeking to influence public support for any candidate or political party.

(1) Apologies

Apologies for absence were received from Councillor Yousef Dahmash and Councillor Sarah Millar as well as Chris Norton (Head of Investments, Audit and Risk).

(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 4 March 2024 and 14 May 2024 be approved as an accurate record and signed by the Chair.

There were no matters arising.

2. Engagement Annual Review 2023/24

Kate Sullivan (Strategy and Commissioning Lead, Organisational Development) introduced the report which provided details of employee engagement activities during 2023/24 including key achievements; areas for development; a focus on equality, diversity, and inclusion (EDI); and objectives for the year ahead.

Kate Sullivan reported that:

- Two surveys had been undertaken during 2023/24 – the ‘Your Say’ survey in January 2024 and ‘Thrive’, the wellbeing survey, in June 2023. Positively, there had been an increased response rate to both surveys.
- Overall, there had been a slight improvement against Key Business Measures (KBM) which had each scored at 78% or above. The KBM for Engagement had risen to 79% which was a 3% improvement on the score for 2022/23. The KBM for Wellbeing was 82%, a 4% improvement on the 2022/23 score.
- The Council had performed well against other local authority benchmarks by an average of +13%.
- A range of bespoke interventions had been undertaken to improve the response rates of teams which had previously shown lower levels of engagement.
- Project work had been undertaken to review engagement, communication and wellbeing challenges experienced by community-based teams. This had shown positive results.

Kate Sullivan outlined the priorities for 2024/25 which included a focus on continuing to drive up response rates and work to demonstrate that the organisation had listened and taken action using the ‘You Said, We Did’ approach. Priority themes for focused interventions would be Leadership, Development and Progression, Communication, and Wellbeing.

Kate Sullivan advised that the next ‘Your Say’ survey was scheduled for January 2025. It was also proposed to hold a series of ‘Working in Warwickshire Conversations’ to invite feedback from staff of what they liked about working for the Council and what would enhance their employee experience.

The Chair praised the good progress that had been made. The benchmark comparison against other local authorities demonstrated that the Council was performing well.

In response to Councillor Kettle, Kate Sullivan stated that there was a strong focus on improving levels of engagement. Good progress had been made; however, more work was needed to achieve continued improved response rates. The proposed ‘Working in Warwickshire Conversations’ would provide an opportunity to explore the potential barriers to engagement.

In response to the Chair, Lucy Gillings (Service Manager, Workforce Development) advised that bespoke interventions to target teams which had previously shown lower response rates would help to lift levels of engagement. This had previously shown good results, making a positive difference. It would help to inform an understanding of why some staff had not previously been inclined to respond to staff surveys.

In response to Councillor Hammersley, Rob Powell (Executive Director for Resources) stated that response rates depended on a range of factors, including workloads. It was unlikely that concerns about the anonymity of surveys had been a cause of lower levels of engagement. He praised the quality of the work being undertaken by HROD to refresh approaches to engagement with community-based staff which had shown positive results. He emphasised that the Council's Leadership Team took the findings of staff surveys very seriously.

Councillor Kettle highlighted that there had been a lower score this year on the statement "I understand how my diversity data is used to add value to the organisation". He asked if this was cause for concern.

Kate Sullivan advised that timing of campaigns during 2023/24 may have influenced responses relating to diversity data. Previously, an annual EDI campaign had been run just prior to the staff survey, improving awareness of EDI-related matters. In 2023/24, the EDI campaign had been held shortly after the Your Say survey. This could account for the variation. Efforts would be made to continue to promote engagement on EDI matters.

Councillor Hammersley 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 Annual Review of engagement activity for 2023/24 and endorses the future activities outlined within the report.

3. Pensions Productivity Plan

Rob Powell (Executive Director for Resources) introduced the report. He advised that on 16 April 2024, the Minister for Local Government had contacted all councils by letter to request submission of productivity plans by 19 July 2024. However, this letter made no mention of separate productivity plans for pensions. On 15 May, a second letter was received to request that a Pensions Productivity Plan be submitted by the same deadline. This presented a challenging timescale and work was underway to respond to the Minister. The Committee was asked to endorse the key themes of the Council's response and to authorise the Executive Director for Resources, in consultation with Chair of the Committee, to finalise the response for submission to the Government.

Rob Powell outlined the nature of the request from the Minister for Local Government which covered arrangements for pension asset pooling and sought a view about potential consolidation of pension funds. Section 4 of the report provided details of the key themes likely to feature in Warwickshire Pension Fund's response to the Minister. He stated that the response would emphasise the Fund's fiduciary duty to its members and employers which was fundamental to decision making. He outlined the proposed key points to be included in the response.

The Chair stated that the prospect of consolidation of pension funds presented serious concerns. There were risks to this course of action which potentially outweighed the benefits.

Councillor Kettle stated that there was a need for the Government to clearly set out the demonstrable benefits of consolidation before making any fundamental changes to current arrangements which would not necessarily be to Warwickshire Pension Fund's advantage.

The Chair emphasised the value of consultation with the chairs of the Pension Fund Investment Sub-Committee and Local Pension Board prior to finalisation of the response by the Executive Director for Resources in consultation with the Chair of the Staff and Pensions Committee.

In response to the Chair, members expressed unanimous support for the recommendations of the report.

Resolved:

That the Staff and Pensions Committee:

1. Endorses the proposed key themes for the Council's response to the Government's request for information about the Warwickshire Pension Fund and asset pool's plans for efficiencies in Local Government Pension Fund.
2. Authorises the Executive Director for Resources, in consultation with the Chair of the Staff and Pensions Committee, to finalise the productivity plan for submission to Government, having consulted the chairs of the Pension Fund Investment Sub-Committee and Local Pension Board on its content.

4. Pension Fund Regulatory and Policy Update Report

Liz Firmstone (Head of Finance Transformation and Transactions) introduced the report which confirmed the findings of the most recent review of Pension Fund policies and provided details of regulatory developments in the pensions arena.

Liz Firmstone highlighted that the General Election had been called following publication of the report. The Economic Activity of Public Bodies (Overseas Matters) Bill had entered Committee Stage after its second reading in the House of Lords on 20 February 2024. However, the process had not been completed prior to the dissolution of Parliament. Therefore, the Bill would need to be restarted from its first reading if it was to go ahead.

Lisa Eglesfield (Pensions Administration Service Manager) advised that the circumstances of the fire pension scheme age discrimination remedy had also changed since publication of the report. His Majesty's Revenue and Customs (HMRC) had raised specific concerns relating to payment of interest. This had led to cases being allocated red, amber, and green ratings in anticipation of additional guidance being issued by HMRC.

In response to Councillor Hammersley, Lisa Eglesfield advised that the Fund was communicating with individuals whose pensions were affected by the fire pension scheme age discrimination remedy to ensure that they were kept up to date of progress and latest information.

Liz Firmstone highlighted that Warwickshire Pension Fund had navigated issues associated with the McCloud remedy effectively and was well-placed to respond to obstacles and challenges as they arose.

There was discussion of commentary within the report relating to the Spring Budget of 6 March 2024 that “the Government will work with the LGPS to consider the role they could play in unlocking investment in new children’s homes.” This initiative had not translated into any concrete plans. However, it would be an area of interest to the Pension Fund Investment Sub-Committee were this to change.

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 updates contained within the report.

5. Pension Administration Activity and Performance Update

Lisa Eglesfield (Pensions Administration Service Manager) introduced the report which outlined key developments affecting pensions administration and the performance of the Pensions Administration Service (PAS). She provided details of take up of the Member Self Service (MSS) initiative, performance against KPIs, workloads across the PAS, breaches, implementation of measures to administer the McCloud remedy, and progress of the Pensions Dashboard project.

In response to Councillor Kettle, Lisa Eglesfield advised that the full year KPI score of 58% for ‘letter detailing transfer in quote’ had resulted from a prolonged ‘hold’ period whilst discount rates were being determined. This meant that requests could not be processed for several months prior to updated factors being communicated to the PAS.

Councillor Hammersley 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. Review of the Minutes of the Fire Local Pension Board Meeting, 12 February 2024

Lisa Eglesfield (Pensions Administration Service Manager) provided a summary of the topics covered at the meeting of the Local Fire Pension Board including details of the increased employer contribution rate, work to implement the age discrimination remedy, and the ‘Matthews Project’.

Councillor Kettle 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 on 12 February 2024.

7. Employers Joining and Leaving the Warwickshire Pension Fund

Lisa Eglesfield (Pensions Administration Service Manager) introduced this report which provided details of academies and contractors which had applied to join the Pension Fund over the past three months as well as any employers leaving the Fund. She advised that no academies had applied to join the Fund, and no employers had chosen to exit the Fund during the three-month period. The report provided details of two contractors proposed to join the Fund.

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

Resolved:

That the Staff and Pensions Committee delegates authority to the Executive Director for Resources to:

- 1. 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.
- 2. Facilitate those employers listed in Appendix 1 of the Report to exit the 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. Cyber Security Policy Report

The Committee held a confidential discussion.

10. Future Meeting Dates

The Committee noted the dates of future meetings.

The meeting rose at 15:10.

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Chair