

Staff & Pensions Committee

Thursday, 12 March 2020

Minutes

Attendance

Committee Members

Councillor Kam Kaur (Chair)
Councillor Bill Gifford
Councillor Bhagwant Singh Pandher
Councillor Bob Stevens

Officers

Neil Buxton (Technical Specialist Pensions Fund Policy and Governance)
Liz Firmstone (Service Manager (Transformation))
Sarah McCluskey (HR Business Partner)
Isabelle Moorhouse (Trainee Democratic Services Officer)
Chris Norton (Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk))
Keira Rounsley (Equality, Diversity and Inclusion Practitioner)
Nichola Vine (Strategy and Commissioning Manager (Legal and Democratic))

1. General

(1) Apologies

Apologies were received from Councillors Neil Dirveiks and John Horner

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

None

(3) Minutes of previous meeting

The minutes of the meeting held on 9 December 2019 were considered and agreed as a true and accurate record for signing by the Chair.

2. Equality, Diversity and Inclusion Developments

Keira Rounsley (Equality, Diversity and Inclusion Practitioner) introduced the report. She stated that it shows the core developments in equality, diversity and inclusion and added that the members have seen the annual workforce and gender pay gap report. Keira Rounsley continued that the proactive approach should have a positive impact on these statistics moving forward. She concluded that the report recommends the Council signs up for the West Midlands Inclusive

Leadership Pledge and the Council adopts the International Holocaust Remembrance Alliance (IHRA) definition of antisemitism.

Councillor Bill Gifford raised that prior to the meeting, he circulated an email to the committee members and Keira Rounsley as the report author regarding the IHRA definition of antisemitism. He suggested adopting the definition but add the following wording:

1. It is not Anti-Semitic to criticise the Government of Israel, without additional evidence to suggest Anti-Semitic intent.
2. It is not Anti-Semitic to hold the Israeli Government to the same standards as other liberal democracies, or to take a particular interest in the Israeli Government's policies or actions, without additional evidence to suggest Anti-Semitic intent

Councillor Gifford endorsed adding this addition, so freedom of speech is not infringed. He continued that members of the Jewish community developed this wording after it was established in the House of Commons. Councillor Gifford raised that Warwick District Council have adapted this wording. The Chair thanked Councillor Gifford for sharing these points.

The Chair stated that she attended a conference recently where anti-Semitism was discussed; it was recognised that it was a serious issue and attendees were sympathetic. The Chair raised that she did not know why this extra wording needed to be added as equality, diversity and inclusion should include all races, religions and gender.

In response to the Chair, Councillor Gifford reiterated that he does not want Warwickshire County Council staff to feel disciplined when speaking against the Israeli government with no anti-Semitic intent. He concluded that staff should feel free to criticise any government and adopting this extra wording distinguishes the difference between being anti-Semitic and anti-Israeli government.

Nichola Vine (Strategy and Commissioning Manager (Legal and Democratic)) informed the committee that legally this amendment would need to be seconded by another committee member in order to be voted on by as an amendment. She added that external decisions have considered the final point in the IHRA working definition to be sufficient in its wording to protect free speech. Nichola Vince concluded that Councillor Gifford can vote against the report recommendations.

There was no seconder to Councillor Gifford's amendment.

The Chair expressed the importance of looking at the issue in a holistic way; however, she understands why the motion was raised. The Chair concluded that this report is for all staff members and they are not looking for someone to be more protected than another regarding freedom of speech.

Resolved:

That the Staff and Pensions Committee:

1. Notes and comments on the developments in Equality, Diversity and Inclusion (EDI) across the Council.
2. Supports the Council signing up to the West Midlands Combined Authority Inclusive Leadership Pledge.

3. That the Committee approves the Councils formal adoption of the International Holocaust Remembrance Alliance (*IHRA*) definition of antisemitism and applies it on all appropriate occasions.

3. Staff Benefits

Sarah McCluskey (HR Business Partner) presented the report outlines. She stated that the current staff benefits contract has been in place since 2015 and is up for renewal in June 2020. Sarah McCluskey continued that the purpose of the report is to propose the way forward for staff benefits and seek member endorsement. There are currently several schemes in place, including: childcare vouchers, cycling to work and online discounts; they are looking at increasing these schemes for staff. Benefits that are being investigated are buying leave, a green car scheme, shared-cost local government pension scheme, a financial wellbeing scheme and a travel to work season ticket.

Sarah McCluskey informed the committee that each scheme can be complex, so they are seeking external advice with pensions and HMRC (HM Revenue and Customs) as well as colleagues from finance and legal. When these consultations have concluded they will look at which schemes to implement and when.

The report sets out the savings achieved with the current schemes since September 2015; the childcare voucher scheme saved staff members over £2 million and employees have saved £43,000 with the cycle to work scheme. The committee was informed that the 'salary sacrifice scheme' benefits employees as they do not pay NI or PAYE tax.

There would be positive environmental implications if the green car scheme is approved as it would encourage driving low emission cars.

It was clarified that there is a current scheme in place where there are 'pool cars' which staff members can use for council business. It is more beneficial for the Council, if pool cars are used by staff members for long journeys, rather than driving their own cars and claiming millage expenses. The committee was informed that all mileage claims need to be approved by a line manager and these claims must follow the policies in place regarding pool cars.

Councillor Gifford reiterated that the Council should be pushing for staff to utilise the low emission pool cars. He asked for the figures of staff members utilising the pool cars for journeys over 100 miles in comparison to staff who claim millage for their personal cars. In response to the Chair, Sarah McCluskey agreed to see if this data was available and share it with the committee if possible.

Councillor Bob Stevens raised that charging points would need to be installed as an incentive for using electric cars; he added that all future pool cars should be electric following the climate emergency declaration. Councillor Stevens and Councillor Gifford concurred that now is the opportunity for the incentive for staff members to use the pool cars over their own cars.

In response to Councillor Gifford, the Chair stated that electric cars are expensive, and the Council cannot dictate which car staff use despite the environmental and financial incentives with the pool cars.

It was agreed that if Sarah McCluskey cannot obtain the relevant information regarding the pool car usage, the committee will investigate ensuring staff utilise these pool cars when possible. Councillor Stevens concluded that the green car scheme demonstrates that Warwickshire County Council is acting on climate change.

Resolved:

That the Staff and Pensions committee:

1. Continues to endorse the existing staff benefits provision of childcare vouchers, cycle to work scheme and the on-line discounts/offers portal, subject to each salary sacrifice scheme being cost effective for the Council by delivering financial benefits.
2. Endorses extending the number of staff benefits schemes on offer to employees as summarised at 2.3 and Appendix 1, to achieve the outcomes set out in the report.
3. Authorises the Strategic Director for Resources to determine the scope and parameters of the staff benefits scheme and its implementation following appointment of the new provider, and to extend the scheme should new benefits be offered which are considered by him to support Our People Strategy.
4. That the Strategic Director for Resources is authorised to amend the Council's Discretionary Pension Policy statement to enable delivery of the shared cost LGPS pension AVC's, if required.
5. Sarah McCluskey to circulate figures of staff members who are utilising the pool cars for journeys over 100 miles in comparison to those who claim millage for these journeys in their personal cars.

4. Conflicts of Interest Policy

Chris Norton (Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) presented the report. Governance of the Pension Fund had been investigated for the past year to make sure they are up to date. They are currently ensuring that all the policies that are required for the pension management fund are going through a 'revolving door of review'. The report so far has just been reviewed by the Local Pension Board who made no comments. Chris Norton concluded that Staff and Pensions approve and enforce the policy. It was added that there is the issue of ensuring conflicts of interest are covered for the pension scheme, which would encompass the other pension committees.

Councillor Stevens stated that conflicts of interests are an advisory guide for members and their actions in meetings. Councillor Gifford added that they are more relevant for advisors than for members, but it is important that conflicts of interest are transparent.

Resolved:

That the Staff and Pensions Committee review and approve the attached Conflicts of Interest Policy.

5. Pensions Administration Activity and Performance Update

Liz Firmstone (Service Manager (Transformation)) explained the key elements of the report. She stated that they had already undertaken some 'scene setting' with Staff and Pensions committee to ensure the right things were being reported to the right place. The committee was informed that the report will be the first of regular reports to the committee, showing the key work being undertaken within the Pensions Administration Team.

Liz Firmstone continued that 89% of the annual benefit statements have been issued, the shortfall has been reported to the Pensions Regulator as a breach but there is a process in place to resolve this. The remaining 11% could not be issued primarily due to the Pensions Administration service not holding the current addresses for these members but they are engaging with a tracing agency in line with best industry practice. She stated that an independent consultant was brought in to review the Pension Fund governance arrangements. Following this, a comprehensive action plan has been established following the recommendations from the recent audit reports. The committee was informed that half of these actions have been completed and good progress is being made; time activity and actions with the greatest impact on governance compliance requirement impacts are being prioritised to ensure requirements are met.

Liz Firmstone stated that the performance indicators are now being reported on and they are looking to refine these in line with best practice for the financial year. Performance against some targets is low due to the number of staff vacancies in the team at the start of the year, but these have now been filled and performance is expected to improve. Liz Firmstone continued that the format is likely to change in the next financial year to ensure best performance reporting. In February several key performance indicators were on target. Liz Firmstone concluded that there had been two difficult employer issues with delayed contributions, but this is being resolved.

The Committee agreed that it was a good report. It was clarified that the Local Pension Board actively engaged in this report when it was received by them.

Resolved:

That the Staff and Pensions Committee note and comment on the latest developments in pensions administration and note the progress made since the last meeting.

6. Regulatory Update

Neil Buxton (Technical Specialist Pensions Fund Policy and Governance) summarised the report. He stated the only updates are regarding the McCloud and Firefighter's Pension Scheme (FBS). A complaint was upheld by the Employment Tribunal in December 2019 which ruled that the changes made to the FPS in 2015 discriminated members because of their age and they should be put back into the old scheme. Neil Buxton concluded that they are waiting for guidance from the Home Office and Local Government Association regarding this.

In response to Councillor Stevens, Neil Buxton stated they are not sure what the resolution will be with regards to the firefighters; they could remain in the old scheme and this could be defined as, when that person retires and how cost effective it is. He added that there have got to be the adjustments to the contributions that the employer and employee made. Neil Buxton continued that

the Local Government Pension Scheme cost is interminable, and this has been reflected in the evaluations with contingencies put in place.

Chris Norton added that the complexity of the scheme was observed over the years regarding the care scheme and McCloud. He concluded that McCloud has the potential to be another layer of complication and when things stack up, the scheme gets more difficult.

Resolved:

That the Staff and Pensions Committee note and comment on the report.

7. Administration Strategy

Chris Norton summarised that the Administration Strategy attempts to provide a deviation of roles and responsibilities between the Warwickshire Pension Fund's role and what employers must do. There are approximately 50,000 members and 200 employers in the fund; all the employers submit data and pay regular contributions to the fund. Extra requirements have been implemented around options for fining and charging interest; the fund will provide information on what is required, the format process, provide support and training and run annual seminars. The Council will be responsible for making sure the data is accurate, but employers are responsible for carrying this work out.

There is an emphasis on financial charges in the strategy as the Council cannot afford to force an employer to pay the required contributions into the fund. Chris Norton continued that meeting the regulatory requirements is the Council's responsibility. The pensions regulator cannot touch employees, but they can hold the Pension Fund to account; therefore, the Council must be ready to state what they did if contributions were not received from an employer. Chris Norton raised that they do not intend to use these extra fine levers all the time.

He concluded that this report went to the Local Pension Board for comment and after the Staff and Pensions meeting, there will be an external consultation before returning to the committee for sign off and enforcement.

In response to Councillor Gifford, Chris Norton stated that if one person and a big business were both in the scheme, they would not be dealt in the same way. Therefore, the emphases on employer fines was noted, as big businesses would know if they are in the wrong with pensions schemes.

In response to the Chair, Chris Norton clarified it will be enforced following June's Staff and Pensions meeting, if approved.

Resolved:

That the Staff and Pensions Committee approve the Administration Strategy.

8. Pension Fund Admissions - Academies

Neil Buxton informed the committee of the schools' applications to become academy trusts, if the schools are not converted by June then they must resubmit their application. He added that

Heartwood CofE MAT is being transferred to the Birmingham Diocese; therefore, any liabilities will be transferred to them at no risk to the Pension Board.
The committee was informed that as it is still a Warwickshire school it will still be administered by the Pension Board.

Resolved:

That the Staff and Pensions Committee delegates authority to the Strategic Director for Resources to approve applications from schools converting to academy status, subject to the applications meeting the criteria:

- Kingsway Primary School (Community Academy Trust; 1 April 2020)
- Lillington Primary School (Finham Park MAT; 1 April 2020)
- Wootton Waven Primary School (Arden Forest MAT; 1 April 2020)
- Henley Primary Academy (Arden Forest MAT; 1 April 2020)

9. Community Academy Trust Administration Centre

Neil Buxton summarised that the Community Academy Trust Administration Centre is currently in Warwickshire but is moving to Staffordshire. Therefore, they should transfer to Staffordshire's Pension Fund, however, they applied to the Secretary of State to remain in Warwickshire's Pension Fund and this was approved.

It was reiterated that Staffordshire agreed to this arrangement too.

Resolved:

That the Staff and Pensions Committee note the Direction issued by the Secretary of State for Housing, Communities and Local Government (HCLG) for the Community Academy Trust's Administration Centre to remain part of the Warwickshire Pension Fund although it has relocated to Staffordshire.

10. Barnardo's Children's and Family Centres

Neil Buxton stated that the report informs the committee of the closures of the children's centres; these are being replaced by children and family centres. This has been through the Pension Fund and only the administration function remains to be processed.

The Committee was informed that Barnardo's now have their own pension scheme for new employees, but old employees will remain in the Warwickshire Pension Fund.

Resolved:

That the Staff and Pensions Committee notes the cessation of Barnardo's as a Scheme Employer in respect of the Children Centres contracts and approves the admission of Barnardo's as a Scheme Employer (the Applicant Body) in respect of the Family Centre contract.

11. Next Meeting

The next meeting of the Committee will be held at 2pm 8 June 2020 in committee room 1.

The meeting rose at 14:53