

Staff & Pensions Committee

Monday, 8 June 2020

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 Bhagwant Singh Pandher
Councillor Bob Stevens

Officers

Sally Brandrick, Corporate Health, Safety and Wellbeing Manager
Ben Brook, Assistant Chief Fire Officer
Neil Buxton, Technical Specialist Pensions 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)
Neville Robinson, Team Lead - Health, Safety and Wellbeing
Rich Thomas Strategy and Commissioning Manager (HROD)
Nichola Vine, Strategy and Commissioning Manager (Legal and Democratic)

1. General

(1) Apologies

None.

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

None.

(3) Minutes of previous meeting

The minutes of the meeting held on 12 March 2020 were considered and agreed as a true and accurate record for signing by the Chair.

2. Covid-19 Administration Impact and Actions

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk), presented the report. The Covid-19 pension report provided updates on Covid-19 regarding the running of the pensions fund and included the investment and administration side of the fund. He continued that this report focused on the administration side as the investment side was reviewed in the Pensions Fund Investment Sub-Committee.

The report provided a summary of the risk register for the fund itself which included the volatility of the markets, the impact on investments during the Covid-19 period and risks of employer contributions not being paid. Chris Norton continued that employer contributions are as much an administration issue as an investment issue, and this is an area where risk is significantly higher.

He concluded that the funds had been able to continue critical operations and physically continue to run. The fund itself had finished its restructure and new officer positions had been filled, including a pension administrator manager.

The Chair commended the fund team's ability to carry on working as usual.

Resolved

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

6. Administration Activity and Performance Report

Liz Firmstone, Service Manager (Transformation), presented the report. In 2019 a governance review was carried out on the Pension Administration Service (PAS) to improve its management. 54 actions on how to improve the service were produced from this with 36 being completed and four more actions will be finished by early July 2020; some of the outstanding actions are not due yet.

Liz Firmstone stated that they are currently finalising the results of the internal audits that were carried out over the last year. She continued that the team have successfully reduced outstanding queries by half despite the current circumstances and that the indexation increases to pensions were all implemented on time. The team are currently obtaining information from the employers for the year end so that annual benefit statements can be issued to the scheme members. Statements have already been issued to deferred members.

Liz Firmstone continued that at the beginning of 2019-2020 there were a lot of vacancies and the PAS went through a service redesign which had increased capacity within the team. The service has reviewed its Key Performance Indicators (KPIs) and has proposed a revised set for adoption from 2020/21, consistent with industry standards for approval by the committee.

It was clarified that if a deadline is missed for data being submitted by an employer, then this is classified as a breach. If employers repeatedly miss deadlines these cases are escalated, and employers are contacted to identify issues and offer assistance; PAS is keeping under review the impact Covid-19 is having on employer performance.

Liz Firmstone concluded that the PAS has a new I-Connect project which allows the service to obtain information straight from their employer's payroll into the pension system which is effective at resolving issues and improves data quality. It will be distributed in three to four phases starting in

the autumn of 2020.

The Chair endorsed the work of the PAS for reducing their high volume of queries.

Following a query from Councillor Stevens, Liz Firmstone stated that 100% is a statutory target for the KPIs and some of these are unreachable; for example the “Retirements Lump Sums”, the service cannot make payments until notified by the employer that the employee has retired but the service is not normally informed until after the employee had left. Liz Firmstone reiterated that 2019/2020 was when the service had many vacancies and the numbers had improved for the 2020/2021 year as posts have been filled. She stated that they could now achieve the local targets set out as shown in Appendix 2.

Andrew Felton, Assistant Director (Finance), added that the trending performance had improved; for example, for one of the KPIs 89% had been achieved in the last four months although the overall annual performance was 69% due to lower performance earlier in the year, and the extra staff capacity will push this higher.

In response to Councillor Horner, Liz Firmstone said that the service should be able to achieve near 100% of the KPI targets by 2021-2022. The PAS have prioritised the areas which impact on payments to members, so they do not lose out financially.

Resolved

That the Staff and Pensions Committee:

1. Notes the report.
2. Approves the adoption of the amended key performance indicators set out at Appendix 2.

7. Admissions and Termination Policy

Neil Buxton, Technical Specialist Pensions Fund Policy and Governance, presented the report. This report was generated due to changes of government policy in March 2020 which allowed the fund discretion when resolving exit credits. When an employer leaves the fund, the fund will apply the updated policy to determine whether there is an amount of money due to the employer that is exiting. Neil Buxton concluded that the report contained improvements for the admissions policy.

Resolved:

That the Staff and Pensions Committee approves the amended Admissions and Termination Policy.

8. Administration Strategy

Neil Buxton presented the report. The committee approved a draft administration strategy for consultation in March's Staff and Pensions meeting, following this the strategy went to employers for comments. He continued that amendments to the KPIs will be fed into the strategy and this will be published online when approved.

Andrew Felton reiterated that the strategy allows the fund to have more power over employers who are late with information; I-connect will aid this too.

Resolved:

That the Staff and Pensions Committee approves the Administration Strategy at Appendix A.

The meeting rose at 15:10

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Chair