

Pensions Board

20 September 2022 at 14:00 hrs by Digital Meeting

Attendance:

Chair: Kal Shoker – Employer Representative

Employer Representatives:

Julie Felton

Employee Representatives:

Adam Harper

Officers and advisors in attendance:

Cllr Miks – (Chair of Audit Committee)

Tom Embury – Deputy Clerk to the Authority

Mike Griffiths – Strategic Enabler – Finance and Resources

Paul Gwynn – Pensions and Payroll Manager

Kirsty Tuffin – Democratic Services Officer

1. Apologies

Apologies were received from Alan Tranter, Employee representative.

2. Minutes of the Previous Pension Board held on 28 March 2022

Resolved:

1. That the minutes of the Pension Board held on 28 March 2022 be approved as a correct record of proceedings.

3. Minutes of the Previous Pension Board held on 10 June 2022

Resolved:

1. That the minutes of the Pension Board held on 10 June 2022 be approved as a correct record of proceedings.

4. Chair's Introductions

The Chair advised the Board that Samantha James had resigned from her post with People Support Services (PSS) and a new PSS appointment to the Board would be made in due course. He advised the Board that Audit and Risk Committee on 18 July 2022, had four relevant reports to the Board: Immediate Detriment Cases, Pensions Administrative Issues, the appointment of an Independent Chair to the Board and Auto-Enrolment. Unfortunately, the meeting had not been quorate and the two reports requiring a decision had been deferred to the September Audit and Risk Committee meeting. The four issues raised within the Pension Administrative Issues report would be covered within the Pension Board agenda later on.

5. **Business as Usual Performance Report**

Paul Gwynn, Pensions and Payroll Manager, presented the Business-as-Usual Performance Report, that outlined the basic demographics, activity levels/performance and the Internal Dispute Resolution Procedure.

The Board were advised that the figures on active firefighters/Non-Members had not been available and would be provided at the next Pension Board meeting. The key figures, as at 31 August 2022, highlighted to the Board were:

- 2015 Members = 1,225
- Pensioners = 2,244
- Dependents = 424

The key activity levels for 01 April 2022 – 31 August 2022 highlighted were:

	01 April 2022 to 31 August 2022	Average response times (days) if applicable
Age Retirements	26	N/A
Transfers to other brigades	0	N/A
Transfer applications	0	N/A
Request for Estimate Benefits	14	11
Divorce cases	6	No responses
General Information	1	50

The Board were advised that one Internal Dispute Resolution Procedure (IDRP) had been submitted to the Strategic Enabler for Finance since 1 April 2022. No further information had been received from the ombudsman in regard to one potential case that could be received. Two cases within McCloud had not been upheld by the Strategic Enabler for Finance as the final legislation had not been received however, one of these cases would be reviewed again given the decisions made at Audit and Risk Committee regarding how cases should be dealt with.

Following queries from the Chair on a previous IDRP case and overpayment, Paul Gwynn provided reassurance to the Board that particular cases had applied the abatement rule and no further overpayments were made.

Resolved:

1. That the Business-as-Usual Performance Report be noted.

6. **Immediate Detriment Update**

Paul Gwynn provided a verbal update on Immediate Detriment. He advised the Board that a decision would be discussed at Audit and Risk Committee on Monday 26th September that would determine the approach moving forward with Immediate Detriment cases. Those that fell within the Immediate Detriment would be categorised into two categories. Priority would also be given to a group of 37 members that had not been provided with the choice of remedy under the Immediate detriment. The Board were advised that two members of staff had been employed to assist with the processing of cases. The successful Candidates had a good calibre of knowledge but would undergo the relevant training once they are in position.

7. Recruitment

Tom Embury, Deputy Clerk to the Authority, provided a verbal update on the recruitment process for both the employee representative and the Independent Chair of the Board vacancy held on the Board.

The Board were advised that the decision to begin the process of appointing an Independent Chair would be discussed at Audit and Risk Committee on Monday 26 September. The process for the third scheme member would be restarted following issues around the voting process that allowed potential duplication of votes around up-to-date email/contact details. This would be looked into and resolved as soon as possible. Members would be informed that the process would be restarted. It was agreed that Adam Harper would correspond with Julie to resolve issues around up-to-date email addresses for members of staff receiving the electronic vote. It was agreed that Julie Felton would share any correspondence where members have advised incorrect email addresses have been used to Paul Gwynn. Julie Felton re-assured Members that the electronic vote was circulated on 12 September and those that bounced were circulated a postal vote.

Resolved:

1. That the verbal update on recruitment be noted.
2. That it be agreed that Adam Harper would correspond with Julie to resolve issues around up-to-date email addresses for members of staff receiving the electronic vote.
3. That it be agreed that Julie Felton would share any correspondence where members have advised incorrect email addresses have been used to Paul Gwynn

8. Annual Report of the Pensions Board 2021-2022

The Chair of the Board provided an overview of the Annual Report of the Pension Board for 2021-2022. The Board were advised that the report would contain the following:

- The Background of the Board
- Attendance at meetings
- The work conducted by the Board throughout 2021-2022
- Summary from the Chair of the Board and how Members have supported the Board

Neil Chamberlain, previous Independent Chair of the Board, had been part of the formation of the report prior to his resignation in June 2022.

Resolved:

1. That the Annual Report of the Pensions Board 2021-2022 be approved.

9. Risk Register – RED Rated

Julie Felton, Employer Representative, presented the Risk Register that outlined the key risk areas, categorised and scored against their likelihood to occur and the impact that would have.

The Board were advised that, as agreed at the last Board meeting, herself, Paul Gwynn and Alan Tranter met to review the Risk Register and they key risks for discussion from the Board had been highlighted within the Risk Register. The following Risks highlighted were:

- Risk 6 – Paul Gwynn would look at the process for confirming the certificate of existence. Letters would be circulated the later end of the week commencing 19 September to 84 years old +. 74–84-year-olds would be issued a letter prior to the Christmas break.
- Risk 18 – rated 6 due to potential legislation changes
- Risk 19 – rated 6. Annual statements had been issued and 2023 statements would be available online via the Pension Portal.
- Risk 11 – Recruitment – interest in the LGA training opportunities were raised.

In regard to risk 19, Paul Gwynn advised the Board that national talks had been ongoing as statements would be issued in August 2023 but changes to legislation had been expected in October 2023. This would impact on some members statements as some would need to reflect payments that had been received. This had been raised with the regulator. It was agreed that Paul Gwynn and Adam Harper would look into conducting workshops closer to October 2023. It was agreed that Julie, Paul and Alan would continue to monitor the risks highlighted within the Risk Register.

Resolved:

1. That the Risk Register – RED Rated, be approved.

10. New System/Automation of Process

Paul Gwynn provided a verbal update on two new systems, Oracle and Altair. He advised the Board that the issues that arose in the move to Oracle had now been resolved. A self-serve process would be implemented with Altair.

Resolved:

1. That the verbal update on Systems/Automation of Process be noted.

11. Annual Benefits Statements

Paul Gwynn, Pensions Advisor, advised the Board that all Benefit Statements had been issued within the legislative timescales. Moving forward, statements for members would be available online.

Resolved:

1. That the Annual Benefits Statement verbal update be noted.

12. Pension Processing Issues 2021 – August 2022

The Chair of the Board provided an overview of the Pension Processing Issues for 2021-August 2022 and highlighted the following four key issues raised at Audit and Risk Committee on 18 July 2022; PAYE, Aprils Pay Calculations, Data Breach (May Payment) and incorrect figures in communication to members of the scheme.

Paul Gwynn advised the Board that all PAYE/monthly submission had been circulated to HMRC and and submissions to them are now being sent monthly. April's pension payments for affected members had been re-calculated and any arrears had been paid. The data breach had been a result of window envelopes used to circulate payslips that raised concerns from some members. It was confirmed that payslips did not have bank details on them but to rectify this issue, a cover letter would be circulated alongside a reduced content version of the payslip to mitigate any risk. An internal investigation had been conducted and concluded that how the service had reacted had been appropriate. The Information Commissioner's Office was also satisfied that the matter had been handled appropriate and that no further investigation had been required. Any incorrect communication that had been raised with the service had now been rectified.

Following queries on the Independent Review, Tom Embury advised the Board that the investigation would be led by Audit and Risk Committee as the Scheme Manager. The Local Government Association (LGA) had been looked into for conducting the investigation however, it had been felt by the Chair of the Audit and Risk Committee that they had not been a suitable fit. A Terms of Reference had been created and other providers would be looked into.

Resolved:

1. That the verbal update on the Pension Processing Issues for 2021-August 2022 be noted.

13. The Pension Regulator Supervisory Report Update

Tom Embury presented a verbal update on the Pension Regulator Supervisory Report that outlined that covered the period March 2020-March 2021. The Board were advised that the report publication had been delayed due to the COVID pandemic. The report would be presented in its entirety to the Audit and Risk Committee on Monday 26th September. Once presented/approved, Pension Board would have to create an action plan with a timescale of six-months to action the recommendations within the Regulators report.

Given the regulators timescales and the required action plan from the Board it was agreed that an additional meeting be scheduled to take place the end of October time to thoroughly go through the report and develop an action plan to circulate back to the Regulator for sign off.

Resolved:

1. That the Pension Regulator Supervisory Report verbal updated be noted.
2. That it be agreed that an additional meeting be scheduled to take place the end of October time to thoroughly go through the report and develop an action plan to circulate back to the Regulator for sign off.

14. Pension Board Work Programme 2022-2023

Tom Embury provided an overview of the Pension Board Work Programme for 2022-2023 that outlined the planned Pension Board agenda items for the next municipal year.

The Board emphasised the usefulness of the LGA Training, and it was agreed that invites be sent to Board Members for December. Pre-retirement seminars would also be taking place, the first of which scheduled for 1 November 2022. It was planned that four seminars would take place throughout 2023.

Following questions on Member Self-Service, Paul Gwynn advised the Board that no date had been in place but training for his team would take place the beginning of October 2022. Once this had been completed Paul Gwynn would email the Board with an update on timescales.

Adam Harper queried the process required to change the governance process in regard to changing the Scheme Manager from a Committee to a single individual. Councillor Miks advised that for now this had not been up for discussion due to the independent investigation commissioned. Once this investigation had completed and its findings be presented than a discussion may be had to look at the options.

Resolved:

1. That it be agreed that the Pension Board Work Programme 2022-2023 be noted.
2. That it be agreed that invites be sent to Board Members for LGA Training in December 2022.
3. That it be agreed that Paul Gwynn would email the Board with an update on timescales following his team's training in October on the Member Self Service.

15. Date of the next meeting

Resolved:

1. That as per item 13 above, an extraordinary meeting be scheduled prior to the next Pension Board Meeting, scheduled to take place on 08 December 2022.

The Pension Board meeting ended at 15:12hrs.