



## **Committee and Date**

Pensions Board

8 July 2022

## **PENSIONS BOARD**

### **Minutes of the meeting held on 29 April 2022**

**In the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND**

**10.00am – 11.55am**

**Responsible Officer:** Michelle Dulson

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### **Present**

#### Member Representatives

John Hall (Chairman)

Mike Morris

Dave Wright

#### Employer Representatives

Liz Furey (virtual)

Clare Charlesworth-Jones

Helen Woodvine

### **46 Apologies**

No apologies were received.

### **47 Declarations of Conflicts of Interest**

No conflicts of interest were declared.

### **48 Minutes of the previous meeting**

#### **RESOLVED:**

That the Minutes of the meeting held on 28 January 2022 be approved and signed by the Chairman as a correct record.

### **49 Public Question Time**

No public questions had been received.

### **50 Administration and Regulatory Updates**

The Board received the report of the Pensions Administration Manager – copy attached to the signed Minutes – which provided Members with the

latest administration and regulatory updates affecting the Local Government Pensions Scheme.

The Pensions Administration Manager drew attention to the letter from the Department of Levelling Up, Housing and Communities (attached at Appendix A of the report) which set out their recommendations on how administering authorities should take the McCloud remedy into account in the 2022 triennial valuation whereby the Fund's calculation for Member benefits would automatically include the assumptions referred to in the letter and would apply in the calculation of employer contribution rates by the Fund's actuary.

She also drew attention to further amendments to the Public Service Pensions and Judicial Officers Bill (set out in paragraph 7.3 of the Report) which gave relevant government departments the powers to address the discrimination identified in the McCloud judgment.

In response to a query about the worse-case scenario in relation to the assumptions that the administering authorities were being told to make, the Pensions Administration Manager informed the Board how the changes would affect benefits and the underpin and she explained how the aggregate was affected. When asked to quantify the impact on the scheme and its members, the Pensions Administration Manager explained that although it would affect very few people they needed to recalculate the benefits of everyone that had left the scheme since 2014.

In response to a query, the Pensions Administration Manager confirmed that very little had changed for the vast majority of employers. If the employee had gone away and died, the amount owed would go to their beneficiaries as long as they could be traced, otherwise it would go to the treasury.

Turning to the Pensions Dashboard, the Pensions Administration Manager explained that it was currently unclear how much work was involved but it would be significant and there was concern around the ability of the fund to meet the timescales due to other pressures such as recalculating benefits since 2014.

In relation to the Single Code of Practice, the Pensions Administration Manager explained that the Pensions Regulator was expected to lay the code before Parliament later in the year and was expected to come into force in October 2022. The fund has been working on some of the areas that the Code will have increased emphasis on including scams, cyber controls, training and documentation.

**RESOLVED:**

That the contents of the report be noted.

## 51 **TPR's Single Code of Practice**

See update above.

## 52 **LGPS Central Chairs' meeting**

The Chairman updated the Board in relation to the LGPS Central Chair's meeting that took place on 28 March 2022. Issues discussed included:

- The Levelling Up White Paper which refers to a figure of 5% to be invested in 'local schemes'. It was confirmed that there was nothing for LGPS Central to do at present.
- Exposure to Russian investment was not an issue.
- Cost management issues – Officers were not aware of any issues.
- New members of staff employed to work on good governance.
- Meeting with Ministers in relation to the Scheme Advisory Board
- Performance of Prudential – It was confirmed that this had been an issue the previous year and that discussions had been held in terms of improving their performance.
- Pooling – the further consolidation of schemes.
- Communication between Pension Boards and LGPS Central was in general good. Suggested meetings should take place in LGPS Central Offices.
- Annual Pensions Board meeting for all LGPS Central Boards.

## 53 **Pensions Committee Reports and Feedback**

The public reports considered by the Pensions Committee at its meeting on 18 March 2022 had been received by the Board.

### Agenda Item 11 - Pensions Administration Monitoring

A brief discussion ensued in relation to staffing and recruitment. It was confirmed that the administration team was not complete which affected output. However, they were still in a good place because they didn't have a backlog to start with. They were ensuring that records were up to date in time for the valuation. In terms of staff training, new staff were sent on a three-day residential course alongside interactive and online training.

In response to a query about whether recruitment remained on the Risk Register, it was confirmed that there was a risk each time a member of staff was lost as it took a long time to recruit and there was not a readily available pool of recruitments. However this was a national issue.

The Pensions Administration Manager confirmed that a revised training policy had been introduced for Board/Committee members and staff and a training plan would be produced.

In terms of training for Board Members, attention was drawn to conferences in Gloucester, PLSA event held at Cotswold Water Park and the LGC conference. Any other conferences/training events would be brought to Members' attention.

**54 Date of Next Meeting**

The next meeting of the Pensions Board would be held on the 8 July 2022 at 10.00am.

**55 Exclusion of Press and Public**

**RESOLVED:**

That in accordance with the provisions of Schedule 12A of the Local Government Act 1972 and paragraph 10.2 of the Council's Access to Information Procedure Rules, the public and press be excluded during consideration of the following items as defined by the categories specified against them.

**56 Exempt Minutes (Exempted by Category 3)**

**RESOLVED:**

That the Exempt Minutes of the meeting held on 28 January 2022 be approved and signed by the Chairman as a correct record.

**57 Cyber Security Update (Exempted by Category 3)**

The Board received an update from Ian Churms, Infrastructure Security and Innovation Manager, Paul Day, Head of ICT and Barry Hanson, the Principal Auditor for IT in relation to a recent cyber incident.

**RESOLVED:** To note the contents of the update.

**58 Pensions Committee Reports and Feedback (Exempted by Category 3)**

The exempt reports considered by the Pensions Committee at its meeting on 18 March 2022 had been received by the Board.

**59 Governance Update (Exempted by Category 3)**

The Board received the report of the Communications and Governance Team Leader – copy attached to the signed Exempt Minutes – which provided an update on the Breaches of LGPS regulations recorded for the quarter ending 31 December 2021 affecting the Shropshire County Pension Fund. Updates on all other governance issues were also included within the report.

**RESOLVED:**

That the contents of the report be noted.

Signed ..... (Chairman)

Date: .....