



Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: 2 February 2017

**Committee:
Pensions Board**

Date: Friday, 10 February 2017

Time: 10.00 am

Venue: Bridgnorth Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

You are requested to attend the above meeting.
The Agenda is attached

Claire Porter
Head of Legal and Democratic Services (Monitoring Officer)

Members of Pensions Board

Liz Furey – Employer Rep
Pat Hockley – Pensioner Rep
Mike Morris – Pensioner Rep (Chairman)
Stuart Wheeler – Employer Rep

Your Committee Officer is:

Michelle Dulson Committee Officer

Tel: 01743 257719

Email: michelle.dulson@shropshire.gov.uk

AGENDA

1 Apologies

2 Declarations of Conflicts of Interest

Members are reminded that they should declare any interests which may lead to conflicts of interest in the subject area or any specific agenda item of this meeting. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Pension Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the LGPS.

3 Minutes of the previous meeting (Pages 1 - 6)

The Minutes of the meeting held on 25 July 2016 are attached for confirmation, marked 3.

Contact: Michelle Dulson (01743) 257719

4 Public Question Time

To receive any questions from the public, notice of which has been given.

5 Update on Insurance Liability Cover for Pension Board Members

Bill Sulman, Director, Aon Risk Solutions will be in attendance to provide an update to Board Members and to explain the details of the insurance cover.

6 Administration and Regulatory Updates (Pages 7 - 20)

Report attached, marked 6.

Contact: Debbie Sharp (01743) 252192

7 Pensions Committee Updates

To highlight any papers/reports arising from the recent Pensions Committee meeting which may of relevance to the Board.

Please click on the link below to access the reports considered by the Pensions Committee at its last meeting on 25 November 2016.

<http://shropshire.gov.uk/committee-services/ieListDocuments.aspx?CId=260&MIId=3278&Ver=4>

8 Breaches of LGPS Regulations (Pages 21 - 24)

Report attached, marked 8.
Rebecca Purfit (01743) 254457

9 Overview of Ill-Health Retirements (Pages 25 - 28)

Report attached, marked 9.
Rebecca Purfit (01743) 254457

10 Tracing Deferred Pension Members (Pages 29 - 32)

Report attached, marked 10.
Contact: Rebecca Purfit (01743) 252072

11 Disaster Recovery Plan for Funds Pensions Administration System (Pages 33 - 36)

Report attached, marked 11.
Contact: Debbie Sharp (01743) 252072

12 Work Plan (Pages 37 - 40)

Report attached, marked 12.
Contact: Rebecca Purfit (01743) 254457

13 Date of Next Meeting

14 Exclusion of Press and Public

To consider approving a resolution under paragraph 10.2 of the Council's Access to Information Procedure Rules that the proceedings of the Pensions Board in relation to Agenda Item 15 only shall not be conducted in public on the grounds that it involves the likely disclosure of exempt information as defined by the categories specified against it.

15 Exempt Minutes (Exempted by Category 3) (Pages 41 - 42)

The exempt Minutes of the meeting held on 25 July 2016 are attached for confirmation, marked 15.
Contact: Michelle Dulson (01743) 257719



Committee and Date

Pensions Board

10 February 2017

PENSIONS BOARD

Minutes of the meeting held on 25 July 2016

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

10.00 am - 12.30 pm

Responsible Officer: Michelle Dulson

Email: michelle.dulson@shropshire.gov.uk Tel: 01743 257719

Present

Liz Furey – Employer Rep

Pat Hockley – Pensioner Rep

Mike Morris – Pensioner Rep (Chairman)

Stuart Wheeler – Employer Rep

1 Apologies

1.1 No apologies were received from Board Members.

1.2 An apology was received from Rebecca Purfitt, Pensions Communications Officer.

2 Declarations of Conflicts of Interest

2.1 No conflicts of interest were declared.

3 Minutes of the previous meeting

3.1 Paragraph 5.3 – Breaches Policy

In response to a query, it was confirmed that the procedure for recording breaches would be covered in the Training Session on Thursday 28 July 2016.

3.2 Paragraph 6.4 - Communicating and Safeguarding of 'hard to reach groups'

It was confirmed that pension scams had been discussed at the Pensioners Annual Meeting and would be covered by the Pensions Administration Manager in her update later in the meeting.

3.3 Paragraph 9.2 – Pension Related Complaints

It was confirmed that a report would be presented to the next meeting of the Pensions Board on the performance of the 'Tell it once' service.

3.4 Paragraph 13.1 – Administration Update

In response to a query, it was confirmed that the Exit Cap would be discussed by the Pensions Administration Manager in her update later in the meeting.

3.5 **RESOLVED:**

That the minutes of the meeting held on 5 February 2016 be approved and signed by the Chairman as a correct record.

4 **Public Question Time**

4.1 No public questions were received.

5 **Regulations Updates**

5.1 The Pensions Administration Manager informed Board Members of some Regulations updates, which included the following:

- There were no changes in legislation to report.
- The DCLG had commenced a consultation on amendment regulations for the LGPS in order to change/improve some drafting errors. Also, a new underpin was being proposed for people who transferred in from other schemes. It was felt that this would increase the costs of the scheme and would be unfair. This proposal would be strongly opposed in the consultation response.
- The consultation also proposed a new system of pension protection for members who were TUPED out of the public sector whereby the contractor must offer the same scheme as the LGPS in line with Fair Deal in the rest of the public sector. It was confirmed that this would not affect Academies however other Admitted Bodies would be covered.

5.2 In response to a query about the impact on Further Education mergers, the Pensions Administration Manager confirmed that three colleges were looking to merge including Shrewsbury Sixth Form College and Shrewsbury College of Arts and Technology, but, as the Sixth Form was taking over, the terms were not changing it was just becoming a bigger employer and the actuary had agreed for the Sixth Form to subsume the assets and liabilities of Shrewsbury College of Arts and Technology. However there was no underwritten guarantee by the Government and the fund would be put at risk if the College was to cease.

5.3 The Pensions Administration Manager answered a number of queries from Members and agreed to provide them with a summary of some of the proposals contained in the consultation on amendment regulations.

6 **Administration Updates**

6.1 The Pensions Administration Manager informed Board Members of some Administration updates, which covered the following:

- The 2016 Valuation – There had been issues with the data extract used and the actuary had requested more information which had been provided in accordance with the agreed timetable. There was a meeting with the actuary later that week to discuss the likely outcome of the valuation. The results would be known in the

Autumn and once individual results were known there would be an opportunity to work with the actuary.

- Following a review, Equitable Life had started to reduce the number of unit-linked funds it offered and had closed some funds and transferred assets to an alternative fund. This had been communicated to those Members directly affected.
- The latest report from the Scheme Advisory Board was available on the website.
- Although the Government had announced that it would not force all schools to convert to Academies, there were provisos for when the Government would step in and force conversion. A greater number of employers would have implications for pensions' sections workload.
- An update was provided on the Public Sector Exit Payments Cap. A further update would be reported at the next meeting.
- The first review of the state pension age would begin next year.

6.2 In response to a query it was confirmed that two or three employers took up the opportunity to work with the actuary but the majority were accepting of the results.

6.3 The Pensions Administration Manager answered a number of queries from Members and agreed to provide them with a briefing note summarising the main issues.

It was agreed to take Agenda Item 8 – Update on the 2016 Revaluation of the Scheme next.

7 Update on the 2016 Revaluation of the Scheme

7.1 The Head of Treasury and Pensions provided Members with an update on the 2016 Revaluation of the Scheme, as follows:

- The data had been sent back on time and an initial meeting was due to take place later that week.
- The Funding Strategy would be updated at the Pensions Committee meeting in November.
- An Employers meeting had been set up.
- There was to be a change in the valuation method however no decision had yet been made and discussions with the actuary were ongoing. A report would be presented to the Pensions Committee later in the year.
- The funding level was likely to increase slightly from 76% funded in 2013 to possibly 80% funded, although this was just the initial assumption.
- At the Pensions Committee Meeting in November Mercers would be discussing how gilt bonds were making the scheme unaffordable and the 19 year plan to recover the deficit.

7.2 In response to a query, the Head of Treasury and Pensions reported that investments were doing well but were not increasing in line with the liabilities however the fund had been increasing over the last few years.

8 Communicating and Safeguarding of hard to reach groups

- 8.1 The Pensions Administration Manager updated Members in relation to communicating and Safeguarding of hard to reach groups. She reported that this had been picked up at the Pensioners monthly meeting in June when the Police attended to talk about online safety and other scams. It was also included in the Administration Strategy and the In Touch magazine.
- 8.2 In response to a query, the Head of Treasury and Pensions informed the meeting how Members of the Pension Fund would be kept informed about the plans for pooling. He reported that information was available on the Shropshire Council Pension Fund website where it was hoped shortly to include a web link. The Chairman requested site of the web link before it went live.

9 **BREXIT implications**

- 9.1 The Head of Treasury and Pensions updated the Board. He explained that initially the value of sterling had dropped however the stock markets had recovered and the fund had increased by £90m to £1.57b. The markets were very volatile however and it was too early to say what the implications would be but this would be discussed at that week's training. Regular updates would be provided to Board Members.
- 9.2 Concern was raised whether employees understood how it may affect their pensions.

10 **Outline of the Institutions for Occupational Retirement Provision Directive 11 (IORP11)**

- 10.1 It was confirmed that this Directive would still become law regardless of not being in the European Union. It was agreed to look at this Directive in more detail at a future meeting.

11 **Training update and Plans for 2016/17**

- 11.1 The report of the Pensions Communications Officer was received – copy attached to the signed Minutes – which provided Board Members with the results of the CIPFA self-assessment matrix and an update on the training requirements in line with the Training Policy.
- 11.2 Board Members were reminded of the training session taking place on Thursday 28 July 2016. Attention was drawn to the survey by AON Hewitt asking what training was required by Board Members, Committee Members and Officers. It was left for Members to decide whether they needed to attend the training days as set out at Paragraph 6.1 of the report.
- 11.3 It was confirmed that it would be possible to hold half hour training sessions on specific topics before Board meetings. In response to a query it was agreed to send the link for the regulations to all Board Members.
- 11.4 **RESOLVED:** That the contents of the report be noted.

12 **Pension Related Complaints**

12.1 The report of the Pensions Communications Officer was received – copy attached to the signed Minutes – which provided a summary of the number of pension related complaints since 5 February 2016. It was confirmed that no complaints had been received during this period.

12.2 There was one stage 2 appeal under the Internal Dispute Resolution Procedure which had been reported to the Pensions Committee in June 2016.

12.3 **RESOLVED:** That the contents of the report be noted.

13 **Pensions Committee Updates**

13.1 The reports considered by the Pensions Committee at its meeting on 28 June 2016 had been received by Board Members.

13.2 **RESOLVED:** That the contents of the reports be noted.

14 **Work Plan**

14.1 Members were requested to let the Pensions Communications Officer have any items they wished to be added to the work plan.

15 **Date of Next Meeting**

15.1 The next meeting of the Pensions Board would be held at 10am on Friday 10 February 2017.

16 **Exclusion of Press and Public**

16.1 **RESOLVED:**

That in accordance with the provision 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 items 17 and 18 on the grounds that they involve the likely disclosure of exempt information as defined by the categories specified against them.

17 **LGPS Central - Investment Pooling (Exempted by Category 3)**

17.1 The exempt report of the Head of Treasury and Pensions was received – copy attached to the signed Minutes – which provided an update on progress regarding the pooling of investments in the Local Government Pensions Scheme.

17.2 **RESOLVED:** That the contents of the exempt report be noted.

18 **Exempt Pensions Committee Reports (Exempted by Category 3)**

18.1 The exempt reports considered by the Pensions Committee at its meeting on 28 June 2016 had been received by Board Members and a brief discussion ensued.

18.2 **RESOLVED** that the contents of the exempt reports be noted.

Signed (Chairman)

Date:



Committee and date
Pensions Board
10 February 2017
9.30am

Item

Public

Administration and regulatory updates

Responsible Officer Rebecca Purfit

Email: rebecca.purfit@shropshire.gov.uk

Tel: 01743 254457

1. **Summary**
The report provides Pension Board Members with the latest administration and regulatory updates affecting the Local Government Pension Scheme (LGPS).
2. **Recommendations**
Pension Board Members are asked to note the contents of this report.

REPORT

3. **Risk Assessment and Opportunities Appraisal**
 - 3.1 **Risk Management**
By ensuring the guidance and legislation mentioned in this report is followed and adhered to risks to the Fund are minimised.
 - 3.2 **Human Rights Act Appraisal**
The recommendations contained in this report are compatible with the Human Rights Act 1998.
 - 3.3 **Environmental Appraisal**
There is no direct environmental, equalities or climate change consequence of this report.
 - 3.4 **Financial Implications**
Currently there are no direct financial implications arising from this report.
4. **New late retirement factors**
 - 4.1 On 4 October 2016, the Department of Communities and Local Government published new late retirement guidance for the LGPS in England and Wales. The guidance is effective from 4 January 2017. The three month period between the issue of the guidance and the effective date reflects the fact that the new factors are significantly less favourable to an LGPS member than the current factors.

- 4.2** The new pensions uplift for late retirements is 71.4% of the current rate (0.010% per day compared to the current rate of 0.014% per day) and the new automatic lump sum uplift is 14.3% of the current rate (0.001% per day compared to the current rate of 0.007% per day)

5. Scheme Advisory Board

- 5.1** The LGPS advisory board (SAB) met on the 6 December 2016. An update following this meeting can be found on the SAB website.
<http://lgpsboard.org/>

6. HMRC – GMP Update

- 6.1** In November 2016 HMRC published further information on the ceasing of contracting out, focusing on the reconciliation of active member records and in particular an exercise called the closure scan. The closure scan will automatically close open periods of contracted out employment held on HMRC records, using the Scheme Contracted-out Number (SCON) provided by Employers on their Full Payment Submissions (FPS). The Fund has completed and returned its closure scan request to HMRC before the required deadline.

7. The Pensions Regulator (TPR) – guide to record keeping

- 7.1** TPR have published a short guide on record keeping for trustees and managers of occupational pension schemes (including for managers of public service pension schemes). The guide can be found in **Appendix A**.

8. National Pensions Dashboard

- 8.1** In the 2016 Budget the Government announced that it intended to ensure that the pensions industry would, by April 2019, design, fund and launch a ‘pensions dashboard’, a tool that would allow individuals to view all their pensions savings in one place.
- 8.2** HM Treasury have appointed the Association of British Insurers (ABI) to lead the development of a prototype pensions dashboard by the end of Spring 2017. A project group has been appointed to assist the ABI with this. In December, the Local Government Pensions Committee Secretariat attended a ‘challenge session’ for defined benefit pension schemes on the dashboard. The session was hosted jointly by HMT and the ABI and the feedback provided will inform the development of the prototype and ideas surrounding the implementation of the dashboard.
- 8.3** Public service pensions are out of scope for the development of the prototype, but it is intended that public service pensions data will be included in the dashboard when it launches in 2019. Further updates will be provided once known.

9. Exit Payment Cap and Exit Payment Recovery

- 9.1** It was expected that both the exit payment cap and the exit payment recovery would come into force in 2016 but both have been subject to significant delays.
- 9.2** It is understood that the Government hopes that the exit payment recovery regulations will come into force early 2017, and the consultation on the regulations governing the exit payment cap will also commence in early 2017. Both sets of regulations are subject to the affirmative process and must be passed by resolutions of both the House of Commons and the House of Lords before they can become law.
- 9.3** A consultation is also due soon on a third aspect, regarding the Local Government proposals for the Government's standardisation of exit payments across the public sector.

10. Tell Us Once (TUO)

- 10.1** The Department of Work and Pensions have recently published a newsletter celebrating Tell Us Once's fifth anniversary. It includes some background on the service. The Fund checks the TUO service weekly and more often before running the monthly payroll cycle to check whether any deaths of Scheme members have been reported which the Fund was not already aware of. To read the newsletter on TUO please refer to **Appendix B**.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)
NA

Local Member
NA

Appendices
Appendix A - Administration and regulatory updates - record-keeping-quick-guide
Appendix B – Tell Us Once newsletter

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A quick guide to record-keeping

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This quick guide is designed to help you understand why scheme record-keeping is so important, and sets out the steps you need to take to make sure your records are complete and accurate. There is a checklist at the end of this guide, which you can use to measure the progress of your scheme.

What is record-keeping and why is it so important?

All pension schemes collect and hold records about scheme members' identities and their time in the scheme in order to calculate and pay out benefits. Records range from basic member information such as name, address and date of birth to more complex scheme-specific information like transactions, investments and guaranteed minimum pension (GMP) benefit entitlements.

Record-keeping is a vital part of running a scheme and failure to maintain complete and accurate records means you are at risk of failing to meet your legal obligations. Crucially, it can affect a scheme's ability to carry out basic functions such as paying members the right amount at the right time.

Poor record-keeping can have a huge impact on members and it can be very expensive for your scheme if things go wrong because of bad or missing data. As trustee or scheme manager, you are accountable for the record-keeping of your scheme, even though administrators may look after the records on a day-to-day basis.



Did you know...?

Accurate and up-to-date records are critical to schemes meeting their legal obligations. In particular:

- ▶ Defined benefit schemes need accurate records to ensure they put accurate funding plans in place and meet internal controls obligations.
- ▶ Defined contribution schemes need accurate records to ensure they meet their obligations to process core financial transactions promptly and accurately.
- ▶ Public service scheme managers must keep records as specified in legislation including on transactions and pension board meetings and decisions.

In addition, new government and industry initiatives are being developed which will require high quality data, like the Pensions Dashboard.

What data do I need to keep?

There are two types of data held in scheme records:

- ▶ Data used to identify scheme members (sometimes referred to as 'common data'). This would include names, addresses, national insurance numbers and expected retirement date. The absence of one or more of these items, or an error in them, could make it substantially harder and more costly for you to identify members or establish their benefits correctly.
- ▶ Data specific to a scheme dependent on scheme type, structure, and administration system in use (sometimes referred to as 'conditional data'). Examples include data related to transactions, investment splits or GMP benefit entitlements.

Both are equally important.

Accountability and responsibility

As scheme trustee or manager, you should ensure that you understand your record-keeping duties.

You can choose to delegate responsibility for administration (including to a third party) but you retain ultimate accountability and you need to ensure that what you've delegated is being delivered. You should have processes and structures in place to scrutinise your administrator. Equally, you cannot rely on the scheme auditors to identify data issues.

From next year, some schemes will need to report their record-keeping scores to us via the scheme return. We will use these scores to target schemes that are failing in their duties, so it's now more important than ever for schemes to get their records in order.

Reviewing and improving scheme data

We expect schemes to carry out a data review exercise at least annually, so you'll need to talk to your administrator about whether this is included as part of their standard service. You may need to undertake an additional data review if something significant happens to the scheme – for example if it winds up or there is a change of administrator or administration system.

If you identify issues of poor quality or missing data, you'll need to put in place an improvement plan. This should have specific data improvement measures, which you can monitor and track. The plan should have an end date within a reasonable timeframe, with a view to having complete and accurate data.

Data security

Pension schemes hold significant amounts of valuable data, and large volumes are often transferred to and from the employer(s), as well as advisers such as investment managers or the scheme actuary. Many schemes also offer members online access to their records, or use social media and other electronic means to communicate with members. As well as ensuring members' records are complete and accurate, you need to put controls in place to ensure the security of member data. This will help you guard against fraud and meet your obligations under data protection law.

You should work with your administrators to ensure the right controls are in place, including controls to protect against cyber security threats. This includes ensuring that anyone with access to scheme and member records is suitably vetted and trained, and requiring administrators to have measures in place to avoid any security breaches (including cyber attacks) and data losses, and a plan for dealing with these and keeping you informed if they do occur.



Where can I find out more?

DB and DC schemes:

Record-keeping guidance at www.tpr.gov.uk/guidance-record-keeping

DC code of practice at www.tpr.gov.uk/code13

DC guide to administration at www.tpr.gov.uk/admin

Public service schemes:

Public service code of practice at www.tpr.gov.uk/code14

The guide on types of record to keep at www.tpr.gov.uk/ps-record-keeping

Extra information:

The government's 'Cyber Essentials' guidance which provides information on how to protect against cyber security threats: www.cyberaware.gov.uk/cyberessentials

Action checklist

You may find it helpful to work through the following checkpoints when undertaking a record-keeping review.

Task	✓
Ensure you understand your duties and read our guidance	
Conduct a data review	
Discuss plans with your pension administrator	
Scheme administrators check data and provide data scores	
Put improvement plan in place to complete data and resolve issues	
Monitor progress of plan	
Ongoing processes	
Agree processes with scheme administrator for ongoing data monitoring, reporting and dealing with errors	
Perform annual data review and update of improvement plan	
Data security	
Engage with administrators and ensure controls are in place to ensure the security of member data	

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The Pensions
Regulator



Mike Scott - Introduction

I became Head of Tell Us Once in September 2015 and I'm proud to be part of this award winning service that we and our partners offer across central and local government. A few months ago we became one of the first government services to move to a cloud based IT provider while continuing to support citizens who trust us to reliably and securely notify the various parts of government on their behalf. I hope you enjoy this 5th birthday edition and would like to take this opportunity to thank everyone who plays a part in delivering our quality TUO service to customers.

Registrars

Tell Us Once value Registrars' insight and experience to help us continually improve the service. Using their feedback, we created Tell Us Once (TUO) appointment-making scripts for use by Registrars or Local Authority (LA) Customer Contact Centres. They aim to properly prepare citizens for using the TUO service when attending their death registration appointments, by ensuring they have all relevant documentation with them.

This serves not only to maximise the benefits from using this free service at a time when citizens need it most, but also to help reduce valuable Registrar appointment time. The more prepared the citizen, the quicker LAs and Central Government Departments can stop payments or services, thereby creating resource savings.

Andy Carroll Interview

As one of the original pioneers of the service - when was your first involvement?

My very first involvement in what became TUO was in 2004 when a piece of work I led was published as part of a Cabinet Office report 'Making a Difference: Bereavement'. The final chapter set out a vision for how government could better support bereaved people from 2015 and beyond and introduced the idea of sharing a verified 'fact of death' from one central point to numerous government services. Following the Varney Report of 2006 DWP was commissioned to deliver a modern bereavement service and I was again asked to take the lead on the strategic design.



Who thought of the Tell Us Once name?

The name itself came about via a workshop held in Glasgow. Numerous names were considered and in the end 'Tell Us' was the favourite, but by wanting to have a service that did what it said on the tin we added the 'Once' and Tell Us Once was born!

From your perspective, what are the top 3 things that have made TUO a success?

1. We asked over 3,000 people what they had expected and actually experienced when reporting a death to government.
2. We handed the majority of the design and development of the service over to those who would deliver it – local authorities. A fundamental principle in Agile today but a very new approach in 2007.
3. It works. It was designed for customers and with significant input from partners across government. Customers using the service have asked 'Is that it?'. That's the best possible feedback.

Is it true that the TUO model has inspired other countries to emulate it?

Yes, there has been considerable international interest. Over time I have worked with officials from France and Australia. We also know that the TUO model has been adopted for various services in Jersey, Malta, New Zealand, Singapore and Canada has legislated to run a bereavement service there. India referred to TUO principles in its 'Intelligent Cities' initiative and I presented our experience of how TUO can enable business benefits to representatives from the Kazakhstan government at the OECD in Paris.

Any birthday wishes for TUO?

Happy 5th Birthday TUO. There were times when I thought we'd never get there but we did and just look at you now!

Tell Us Once customer satisfaction surveys

A small survey was performed on the Tell Us Once (TUO) Birth and Bereavement services. Results of the survey were used to measure customer satisfaction levels and to identify how the TUO team might improve or expand the existing service.

Both the birth and bereavement surveys produced extremely positive results. Headline results were as follows:

98% of people felt that their overall experience of the Bereavement Service was good and 98% were willing to recommend the service to others.

99% of people using the face to face or telephone Bereavement Service felt that the staff were both helpful and showed a good understanding of their situation. 100% of those using the online service found it easy to use.

98% of people using the Bereavement Service had confidence in the way that their personal details were handled and 95% were confident that the service has acted on the information given.

96% of people felt that their overall experience of the Birth Service was good and 96% were willing to recommend the service to others.

97% of people using birth service felt that the staff were both helpful and showed a good understanding of their situation. The Birth Service is not online at present.

95% of people using the Bereavement Service had confidence in the way that their personal details were handled and 97% were confident that the service has acted on the information given.

A new Partner joined the Tell Us Once family...

Feedback from citizens included questions around why they were able to use the Tell Us Once (TWO), service in order to stop a state pension but they couldn't stop payments from a Public Sector Pension Scheme (PSPS). In the eyes of the citizen, both types of pension came from the public purse therefore why should they be treated differently.

Tell Us Once approached a number of PSPS to understand more about the problems they faced and the value TWO could potentially add to their service. It was established that there were problems around payments being made to deceased scheme members. The average time between the date of death and the Pension Scheme being informed was 15 days, causing overpayments and additional distress to the customer at a very emotional time.

Following a very successful data sharing trial in which TWO notifications were received on average 8 days after the date of death, the PSPS group decided that joining the TWO service would bring significant efficiencies to pension schemes, whilst putting the needs of customers at the heart of their business design.

On 3 March 2016, the TWO service welcomed Public Sector Pensions and Armed Forces Pension Schemes into the service offering.

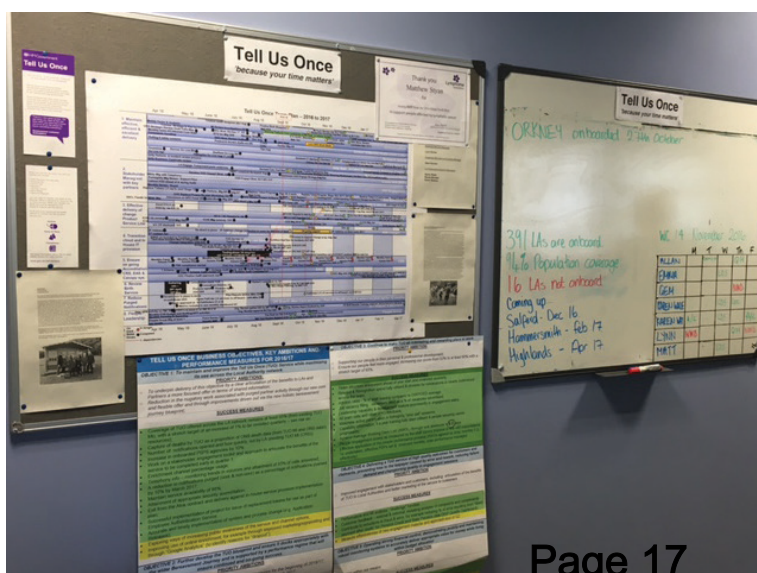
Citizens can now choose to inform:

- Local Government Pensions Scheme
- My Civil Service Pensions
- NHS Pensions
- Scottish Public Pensions Agency: NHS & Teachers and Police & Fire Service
- Veterans UK

TWO also designed a new, innovative way of securely delivering the Tell Us Once data to our new set of partners using G-cloud technology, by introducing Canopy Digital Connect (CDC). This allowed us to create a 'NINO look up' table to help identify Local Government Pension Schemes and also allowed the TWO team to introduce a new two factor authentication service.

The secure messaging service has delivered over 20,000 messages to our Public Sector Pension Partner Providers since go-live.

We would like to thank all of our partners for their support with this new initiative.



This is an example of the TWO Planning board



Lewisham interview

Hi Lisa, can you tell us a little about your role at Lewisham?

I was appointed as Nationality and Citizenship Manager in May 2015. Previous to this I had been a registration officer registering births & deaths for 14 years. We became involved in Tell Us Once, TUO in 2011 and I am still heavily involved in providing the service.

What are your memories of the early days of TUO especially leading up to rollout in 2011?

I took over the TUO project when the person who was leading the rollout was seconded elsewhere at short notice. It was decided that someone with registration experience should have an input as it became obvious pretty quickly that the registration service would not only be providing TUO to the customers but we would also be responsible for the behind the scenes work too (EAS registration). I guess you could say right time right place for me (and TUO) I quickly found myself in a world of meetings, tele conferences and IT compatibility problems. I had (and still do thanks to our Partnership Account Manager, Michael Murphy) amazing support from day one and was warmly welcomed into the TUO family. I worked with our comms team to provide publicity across the borough and met with other stakeholders to increase awareness of the service prior to go live. By chance the second person to use TUO on day one was a councillor who couldn't praise the initiative enough; she quickly fed back the benefits of the service to her constituents and colleagues. I couldn't have paid for better publicity, news of the new bereavement service spread like wildfire in the community and we haven't looked back since....

What do you see as the benefits of the service to customers and to Lewisham, how does the service make a difference?

It's a no brainer - someone offering to inform multiple government agencies about a death on your behalf, all at once at a time when you least feel like doing it - in one appointment, for free.. Simple! From a local authority point of view the information shared with our service providers is much more accurate, relevant and it is received at a much earlier stage than experienced in the past. It reduces contact with the bereaved, overpayments, ensures that records are kept up to date and keeps costs down.

Have you got some customer feedback that you could share with our readers?

Lots! Here are some examples....

"I was very lucky to be able to take advantage of the Tell Us Once service on the first day. Lisa was very knowledgeable about the process and it was handy having someone from the DWP there too. I can't imagine how much time you have saved me not having to call these departments individually - Thank you, thank you, thank you"

"Thank you for assisting my mother with the Tell Us Once service. Living overseas meant I was unable to help her with my late father's estate as much as I would have liked but the Tell Us Once service made the process much easier for her."

"Please thank the registrar for her patience (and tissues) at a very difficult and overwhelming time for me. I was in no state to complete the Tell Us Once service during the appointment but am so grateful that she took the time to explain the service and ensured that I had the correct information to complete the process myself at home."

Thank you Lisa – you are a TUO star

Knowledge Hub for local authority partners - so we won't need to Tell You Twice!

Do you want to have the latest TUO updates and news? A chance to share your thoughts on any aspect of the service or seek advice or tips for best practice from other local authorities? Don't wait to be told twice - **The KNOWLEDGE HUB** is the place for you. Get all these benefits in one place!

Latest guidance and support materials

Never have an out of date document again – in our library we make sure the latest version of all our guidance is uploaded and obsolete materials are removed

An opportunity to give us feedback on our materials and make them better

Each document allows you to comment on them, suggest an improvement or offer a compliment – that way we know we are giving you what you want

A Forum for advice and ideas

A chance to discuss issues and get advice from other partners delivering the service in our Forum or the Ideas section of our site – continuous improvement made easy

Monthly blogs from YOUR Partnership Management Team

Every month one of the TUO Partnership Account managers will blog about all the news, tips for success and what they've been up to in supporting local authorities and making things easier

New Members - To become a member of the Knowledge Hub is easy, click here- and then apply to join the 'Tell Us Once Community' by clicking here: <https://khub.net/group/tellusonce>

Existing members - click here and see what improvements we've made to your TUO community

"As a Registrar I am proud to be able to provide a service that assists the bereaved at a very difficult time of their lives"

**Zoe Hocking, Registrar,
Surrey County Council**

"Tell Us Once is a great service to be able to offer bereaved customers. Registration staff feel that they are reducing the burden on customers who are much relieved at not having to contact many different Government and Council departments. It is a very valuable addition to the service we provide."

**Debbie Coveney, Superintendent
Registrar, Royal Borough of Greenwich**

"Tell Us Once offers a helpful service to our customers, reducing the number of people they have to contact, at a particularly difficult time when they register a death."

**Tracey Fottrell, Registration and Nationality Manager,
Surrey County Council**

Tell Us Once - Virtualisation - Embracing the Digital Agenda

TUO provides a service used by almost half a million people every year thus it's support requires a robust, reliable and secure system.

As the physical IT platform which supported delivery of the service was reaching the end of it's life, the TUO business in partnership with Technology colleagues decided to virtualise it and host the service within the cloud – a bold step that placed TUO at the forefront of new technology provision in government services.

The virtual team consisting of a range of disciplines within DWP planned, developed and managed all aspects and successfully implemented the transition, providing a fantastic example of collaborative working to deliver a valuable service for customers and reduced costs for the taxpayer.

The TUO Service is now delivered from a cloud-based environment and is also now managed In-House by DWP IT colleagues. This was a trail-blazing initiative and TUO were the first live DWP Service to accomplish this.

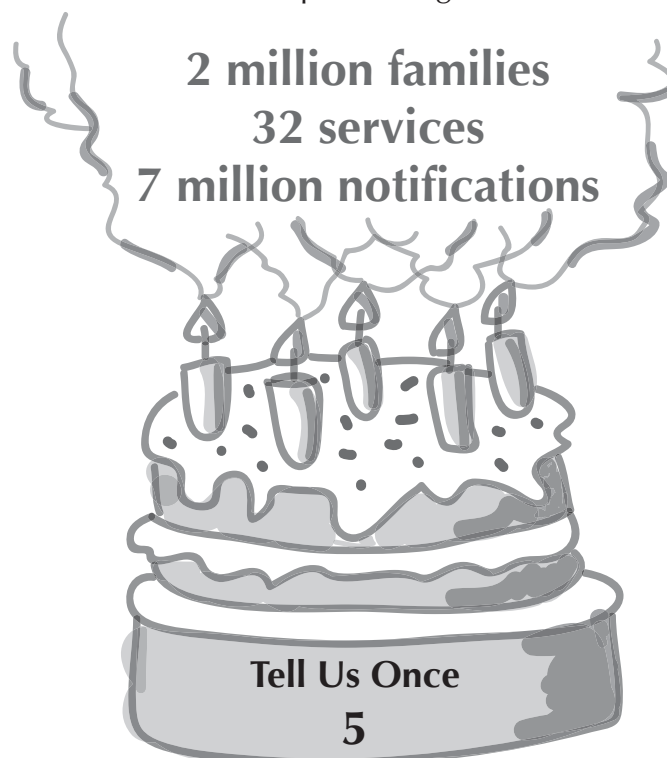
As TUO shares sensitive customer data, it's security level is very high and needed rigorous requirements to be delivered in order to migrate to the cloud. Maintaining the support and confidence of the Pan Government Security Accreditor throughout the process has been a major achievement for the team.

Benefits

Timescales for future developments/enhancements will reduce.

Significant reductions in the costs associated with operating, maintaining and managing the system.
More cohesive and responsive links/relationships as the system is managed In-House by DWP staff.

If it were possible to identify that one single 'behaviour' that made this achievement such a success it would be that TUO business and its Technology colleagues were ever conscious that the bereaved customers who rely on Tell Us Once and our partner organisations who deliver it, are at the heart of the service.



Tell Us Once would like to say a big thank you, for your support throughout the last five years. Your time and investment really does matter as it enables us to deliver a fantastic service for Citizens.



Committee and date
Pensions Board

10 February 2017

9.30am

Item

Public

Breaches of the LGPS regulations

Responsible Officer Rebecca Purfit

Email: rebecca.purfit@shropshire.gov.uk

Tel: 01743 254457

1. **Summary**

The report informs Pension Board members of the steps taken to reduce the number of breaches recorded which are due to employers not adhering to the regulations.

2. **Recommendations**

Members are asked to note the report.

REPORT

3. **Risk Assessment and Opportunities Appraisal**

3.1 **Risk Management**

By ensuring the guidance and legislation mentioned in this report is followed and adhered to risks to the Fund are minimised.

3.2 **Human Rights Act Appraisal**

The recommendations contained in this report are compatible with the Human Rights Act 1998.

3.3 **Environmental Appraisal**

There is no direct environmental, equalities or climate change consequence of this report.

3.4 **Financial Implications**

By ensuring good internal controls are in place to monitor breaches reduces the risk to the Fund of being fined by the Pensions Regulator is minimised. There are no direct financial implications arising from this report.

4. **Recording and reporting of breaches**

4.1 Section 70 of the Pensions Act 2004 imposes a requirement on the following persons to report a breach of law:

- a trustee or manager of an occupational or personal pension scheme;
- a member of the pension board of a public service pension scheme;

- a person who is otherwise involved in the administration of such an occupational or personal pension scheme;
- the employer in relation to an occupational pension scheme;
- a professional adviser in relation to such a scheme; and
- a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme,

- 4.1** When deciding whether a breach is likely to be of material significance to the Pensions Regulator, the cause, effect, reaction to and wider implications of the breach should all be considered and, if a breach has occurred that is deemed material, it should be reported to the Pensions Regulator.
- 4.2** Any potential breaches by the Administration Team or Fund Employers' are recorded on the Breaches Log and reported quarterly to Pension's Committee. In November 2016 41 breaches had been recorded. 13 of which were due to either late payment of contributions or missing paperwork which should accompany payment of contributions.
- 4.3** Under regulation 49 (8) of The Pensions Act 1995 and 16 (1) of The Occupational Pension Schemes (Scheme Administration) Regulations 1996, payment of employee and employer contributions must be paid to the Administering Authority by the 19th of the month following deduction (or 22nd if paid electronically). It is the Fund's policy that all payments must be made by the 19th of the month following deduction. Of the 13 breaches, relating to contributions, none were deemed materially significant to report to the Pensions Regulator as the Fund was satisfied that the employer is taking appropriate action to ensure future payments are made on time. The Fund's online employer guide clearly states the timescales for payment of contributions and all new employers are provided with a copy of the Pensions Administration Strategy which outlines employer and Fund responsibilities. Employer responsibilities have also been covered at the most recent employer meetings. Regular email bulletins are also sent to all employers. Copies of the presentations given at past employer meetings and the email bulletins can be found on the Funds website in the employers section.
- 4.4** The largest number, 27, of breaches recorded were due to employers not preparing a discretions policy. Since the breaches report went to the Pensions Committee 15 of the missing discretions policies have been received leaving a total of 11 policies outstanding as 1 had been recorded in error.
- 4.5** The Fund has worked hard with employers to ensure these policies are in place. To assist employers a template was purchased from the LGA which provided comprehensive guidance on making a policy including suggested wording. This has been a successful tool in increasing the number of discretions policies the Fund now has received. Visits have also been made to various employers around the county to provide one to one guidance. The Fund no longer issues any quotations which

require an exercise of a discretion when requested by an employee or employer who has not got the appropriate Policy in place.

4.6 The Fund will continue to support the employers who have not provided a policy through updates to the website, presentations and one to ones.

4.7 The final breach was an employer not applying the correct contribution rates for an employee which was again resolved quickly therefore determined as 'not materially significant'.

5. Future communication exercises

5.1 The Fund monitors breaches looking for any that are reoccurring or any employers who are repeatedly appearing on the log. Any patterns in common breaches will be used to identify training to be provided at future employer meetings. Smaller issues will be picked up in employer email bulletins.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Pensions Committee Meeting 25 November 2016 Record of Breaches Report
(Exempt paper)

Cabinet Member (Portfolio Holder)

NA

Local Member

NA

Appendices

NA

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Committee and date
Pensions Board

10 February 2017

9.30am

Item

Public

Overview of ill health retirements

Responsible Officer Rebecca Purfit

Email: rebecca.purfit@shropshire.gov.uk

Tel: 01743 254457

1. **Summary**
The report provides Pension Board members with an update on the number of ill health retirements which took place in 2015/16 and to date in 2016/17.
2. **Recommendations**
Pension Board Members are asked to note the contents within this report.

REPORT

3. **Risk Assessment and Opportunities Appraisal**
 - 3.1 **Risk Management**
By ensuring the guidance and legislation mentioned in this report is followed and adhered to risks to the Fund are minimised.
 - 3.2 **Human Rights Act Appraisal**
The recommendations contained in this report are compatible with the Human Rights Act 1998.
 - 3.3 **Environmental Appraisal**
There is no direct environmental, equalities or climate change consequence of this report.
 - 3.4 **Financial Implications**
The cost of an ill health retirement is factored into individual employer contribution rates. As part of the Triennial Valuation the Scheme Actuary assumes a certain proportion of the active membership will retire due to ill health and includes the cost of this in individual employer rates. In addition adjustments are made where an individual employers actual experience during the last three years varied greatly from the assumptions made at the previous valuation.
4. **Ill health retirements**
 - 4.1 Regulation 35 of the Local Government Pension Scheme regulations 2013 states that an active member who has qualifying service for a period of two years and whose employment is terminated by a Scheme

employer on the grounds of ill health or infirmity of mind or body, before that member reaches Normal Pension Age, is entitled to, and must take, early payment of a retirement pension if that member satisfies two conditions. The first condition is that the member is, as a result of ill-health or infirmity of mind or body, permanently incapable of discharging efficiently the duties of the employment the member was engaged in. The second condition is that the member, as a result of ill-health or infirmity of mind or body, is not immediately capable of undertaking any gainful employment.

4.2 Scheme employers are responsible for making the decision to award ill health retirement benefits, but cannot make this decision without first obtaining an opinion from an Independent Registered Medical Practitioner (IRMP). The IRMP must be approved by the Fund and have a Diploma in Occupational Health Medicine, have membership of the Faculty of Occupational Medicine and be a member of General Medical Council. The list of approved IRMP's can be found on the Fund's website.

4.3 It is a Scheme employer's decision whether or not to agree an ill-health retirement. Once a decision is made to award ill health retirement benefits active members could receive an enhancement as there are three different levels of ill health retirement benefits. Tier 1, 2 or 3. Deferred pension members do not have the option to receive enhanced benefits on grounds of permanent ill health, instead they receive immediate payment of unreduced benefits.

5. Potential enhancements to benefits for active members

5.1 In the LGPS 2013 regulations, "gainful employment" means paid employment for no less than 30 hours in each week for a period of no less than 12 months.

5.2 Tier 1 – Member can be awarded this benefit if they are unlikely to be capable of undertaking gainful employment before Normal Pension Age. The member's service is fully enhanced up to Normal Pension Age.

5.3 Tier 2 – If the member is unlikely to be capable of undertaking any gainful employment within three years of leaving the employment, but is likely to be able to undertake gainful employment before reaching Normal Pension Age. The member's service is enhanced by 25% of membership to Normal Pension Age

5.4 Tier 3 – If the member is likely to be capable of undertaking gainful employment within three years of leaving the employment or before normal pension age if earlier, that member is entitled to Tier 3 benefits for so long as the member is not in gainful employment, up to a maximum of three years from the date the member left the employment. There is no enhancement to the benefit and eligibility is reviewed by the Scheme employer after 18 months. Tier 3 benefits can only be paid for a maximum of 3 years.

5. Number of ill health retirements

5.1 The number of ill health retirements which occurred during the periods 2015/16 and 2016/17 are:

	2015/16	2016/17 (to date)
Active Members	10 Tier 1 - 7 cases Tier 2 - 1 case Tier 3 - 2 cases	7 Tier 1 - 6 cases Tier 2 - 0 Tier 3 - 1 case
Deferred Members	3	7

6. Ill health retirements – advice and guidance

- 6.1** Specific guidance is available on the Funds website for members and employers on the ill health process. Training sessions were also held in early 2015 specifically for HR and Occupational Health staff dealing with ill health retirement cases at Shropshire Council and Telford & Wrekin Council. The subject of ill health retirements were also covered in a presentation given by the Pensions Manager at an Employers Meeting open to all Funds employers to attend held in January 2015.
- 6.2** The award of benefits or more commonly, non-award of benefits is a popular reason for an appeal through the Internal Dispute Resolution Procedure (IDRP). The first stage of the appeal is normally dealt with by the Scheme employer, as decision maker for the award or non-award of benefits. Members cannot appeal just because they are unhappy with the decision. To use the IDRP process members must clearly evidence why they feel they do meet the regulatory criteria or that new evidence should be considered if no benefits have been awarded. All IDRP cases received either directly to the Fund under a stage 2 appeal or cases which have been reported directly to employers which the Fund are aware of are recorded in the Annual Report.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

NA

Local Member

Pensions Board; 10 February 2017: Overview of ill health retirements report

NA

Appendices

NA



Committee and date

Pensions Board

10 February 2017

9.30am

Item

Public

Tracing Deferred Pension Members

Responsible Officer Rebecca Purfit

Email: rebecca.purfit@shropshire.gov.uk

Tel: 01743 254457

1. Summary

The report provides Pension Board members with an update on the regulatory requirements for record keeping in the Local Government Pension Scheme. In particular it provides detail on the number of 'gone away' records held on the Pension Administration System and the plans in place to trace them.

2. Recommendations

Pension Board Members are asked to note the report.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 Risk Management

By ensuring the guidance and legislation mentioned in this report is followed and adhered to risks to the Fund are minimised.

3.2 Human Rights Act Appraisal

The recommendations contained in this report are compatible with the Human Rights Act 1998.

3.3 Environmental Appraisal

There is no direct environmental, equalities or climate change consequence of this report.

3.4 Financial Implications

Poor record keeping can have an impact on both members and employers. Therefore, it is essential that records are kept up to date and any investment in systems or processes ensures the risk of being fined by the Pensions Regulator, or the incorrect payment of benefits are minimised. Any financial implications regarding the cost of any investment will be kept to a minimum and will be met by the Fund.

4. Record Keeping Requirements

- 4.1** The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 requires the Scheme Manager to keep specific data about members. The information which must be kept is

outlined in regulations 4 to 6 of the above regulations. In January 2016, the Fund created a record keeping matrix and documented where the information specified in the regulations is held, who is the responsible officer, the internal controls in place to check the data and the review period. The Fund's Record Keeping Matrix can be found in **Appendix A**.

- 4.2** There are improvements that can be made in this area and the Fund has recently undertaken a review to establish any additional processes which should be introduced to ensure completeness and accuracy of information held. There is known to be gaps in the address data held for deferred Scheme members. Currently, member tracing is undertaken when benefits are due for payment, although it is recognised that this type of exercise is required more often, there is not currently enough staffing resource to undertake this exercise on an annual basis.

5. Reviewing and improving Scheme data

- 5.1** The Pensions Regulator's Code of Practice 14, in addition to the regulations provides practical guidance, page 35, paragraph 141 states;

'Where the fund identify poor quality or missing data they should put a data improvement plan in place to address these issues. The plan should have specific data improvement measures which schemes can monitor and a defined end date within a reasonable timeframe when the scheme will have complete and accurate data.'

Although the Record Keeping Regulations specifically states that only a member's 'last known postal address' should be held to comply with these regulations. The Fund is using the Pensions Regulators guidance to implement a data improvement exercise to specifically tackle the issue of missing addresses and a project is currently underway to identify and update the inaccurate addresses held on the Pensions Administration System.

- 5.4** An exercise was undertaken to identify the records where the Fund does not have an up-to-date address; known as a 'gone away' record. The Fund records a 'gone away' record as a result of a communication being returned by the postal service. The table below shows the total number of records currently identified as 'gone away';

Type of member	Number of 'gone away' records
Active	135
Undecided leaver	8

Deferred	1708
Pensioner	49
Widow/Dependant	30
Frozen Refund	492
Opt Out	2

- 5.2** The Fund is obtaining quotations from companies who specialise in tracing 'gone away' members, to work with the Fund across certain categories of membership to improve the records. There is also merit in looking into a mortality screening exercise at the same time to establish whether members have passed away. However, the Fund does participate in the LGPS National Insurance Database which means that a notification will be received if a member dies and is in another LGPS Fund, as this avoids the payment of two death grants which is not permitted under the LGPS regulations. The Fund also participates in the national Tell Us One (TUO) death notification service.
- 5.3** Although the regulations state that Scheme managers must keep all records of information relating to member information and transactions, priority will be given to tracing the address details of active members, deferred members, frozen refunds and pensioners. As benefits are due to be paid or already in payment.
- 5.4** The Board will be updated once the service provider's quotations have been analysed and a data improvement plan drawn up.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

NA

Local Member

NA

Appendices

NA

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**Committee and date**

Pensions Board

10 February 2017

9.30am

Item

Public

Disaster Recovery Plan for Fund's Pension Administration System

Responsible Officer Debbie Sharp

Email: debbie.sharp@shropshire.gov.uk

Tel: 01743 252192

1. **Summary**
The report provides Pension Board members with an update on the Funds current disaster recovery plan.
2. **Recommendations**
Pension Board Members are asked to note the contents within this report.

REPORT

3. **Risk Assessment and Opportunities Appraisal**
 - 3.1 **Risk Management**
By ensuring the guidance and legislation mentioned in this report is followed and adhered to, risks to the Fund are minimised.
 - 3.2 **Human Rights Act Appraisal**
The recommendations contained in this report are compatible with the Human Rights Act 1998.
 - 3.3 **Environmental Appraisal**
There is no direct environmental, equalities or climate change consequence of this report.
 - 3.4 **Financial Implications**
Currently there are no direct financial implications arising from this report. Any future change in costs as a result of procurement of a new server provider will be managed and met by Shropshire County Pension Fund.
4. **Disaster Recovery Plan**
 - 4.1 The team have in place a Disaster Recovery Plan (DRP). To ensure the plan is robust an annual test is undertaken. This ensures that the Pensions Administration System (PAS) can be moved on to and run on a backup server, in the event of the main server not being available. Currently the PAS is run from a server held at the Shirehall. The back-up server is in Nuneaton.

- 4.2** The Team works with Shropshire Council's internal IT department, based at Shirehall, to test the DRP. The DR test is usually run November/December time. A test plan is agreed prior to the live date. Control tests are run prior to the live test date and the move of the PAS to the off site server. All of which is fully documented.
- 4.3** On the morning of the DR all users are locked out of the PAS and when all pre-tests have been completed, IT starts the move to the off-site mirror server. When they have confirmed this has successfully moved, members of the pensions team commence the tests and ensure access is obtained and the PAS is usable. During the last DR a member of the pension's team also accessed the PAS working from home to test if the mirror server could be accessed remotely. Once these tests are completed, IT are informed and they start the move back to the main server and when this is complete, pensions staff will run the tests again on the on site server. All tests are documented in a spreadsheet together with any document downloads and reports.
- 4.4** The most recent DR took place on the 13th December 2016. The process went well and the system was successfully transferred to the Nuneaton site and successfully transferred back again. It was proved that a user can access the mirror server when working remotely. However, the PAS run much slower on the mirror server and it took a longer amount of time to navigate around the PAS compared to normal use. The DR was tested with 3 users, therefore it may be difficult to connect many more users to this server if needed, based on current capabilities.
- 4.5** In conclusion, the mirror server would not be robust enough for all of the pension's team to access the system at the same time if required but nevertheless the PAS system was able to be recovered from the backup server. In the event of a disaster, meaning the PAS had to be restarted on the mirror server a small number of users could continue to use the system, but only for a limited time. All issues raised from the DR process are logged and investigated. The weakness of the backup server has been logged with IT. They are fully aware that it is not of the same quality as the day to day server in use.

5.

- 5.1** We understand we were the only team to perform a DR within Shropshire Council however, this may have changed recently. Going forward the Fund will be required to review its server arrangements and it may be necessary to look at external providers due to the lack of space available on the current server hosted by Shropshire Council.
- 5.2** Our test shows that the backup server is not of the same quality of the day to day server running the PAS and this is confirmed by the Councils own findings as reference should be made to an extract item number 9, from the Audit Committee meeting held on Thursday 15th September 2016. Minutes of the meeting can be found on the Shropshire Council website or using this link:

<http://shropshire.gov.uk/committee-services/ieListDocuments.aspx?CId=163&MId=3265&Ver=453>

Extract below from item 9: Audited Annual Statement of Accounts 2015/16 (appendix 2 – Annual Governance Statement, point 53.)

‘On the basis of the work undertaken and management responses received; the Audit Service Manager has qualified her overall opinion on the Council’s internal control environment. This is based primarily on the continuing numbers, and negative direction of travel, of the internal audit assurances provided on the IT infrastructure systems. These risks are already known to Directors and Members and are reflected in the strategic risk register. The IT infrastructure on which Council applications operate continues to present a clear risk to service continuity. This has now been the case for several years, and although it is acknowledged that significant resource and prioritisation has been applied to manage this risk, it was also accepted that it may take several years for the necessary improvements to be implemented and embedded sufficiently to attain appropriate assurance levels. The issues currently identified are sufficient to warrant qualifying the annual audit opinion to the extent that management must continue to prioritise implementation of plans to address the matters raised. Whilst identifying these control weaknesses and highlighting them to management, it should be said, there has been no evidence of significant IT business failure or other error that could result in a material misstatement in the Council’s accounts and reliance can still be placed upon it for that purpose.’

6. Service recovery

- 6.1** The Fund has recently updated its Service Recovery Plan and Business Impact Analysis to determine the key functions and resources required if a major incident caused the pensions team disruption of service.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

NA

Local Member

NA

Appendices

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<u>Committee and date</u> Pensions Board 10 February 2017 9.30am

<u>Item</u> <u>Public</u>
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Areas to be considered for work plan

Responsible Officer Rebecca Purfit

Email: rebecca.purfit@shropshire.gov.uk

Tel: 01743 254457

1. **Summary**

This report provides information to the Pensions Board on areas to be considered for future work planning.

2. **Recommendations**

Pension Board Members are asked to note the contents of this report and consider the items identified for future work planning.

REPORT

3. **Risk Assessment and Opportunities Appraisal**

3.1 **Risk Management**

By ensuring the guidance and legislation mentioned in this report is followed and adhered to risks to the Fund are minimised.

3.2 **Human Rights Act Appraisal**

The recommendations contained in this report are compatible with the Human Rights Act 1998.

3.3 **Environmental Appraisal**

There is no direct environmental, equalities or climate change consequence of this report.

3.4 **Financial Implications**

The Fund must meet its Regulatory requirements as well as following the guidance provided by the Pensions Regulator (TPR) in Code of Practice 14. Any financial implications created whilst performing the required statutory functions will be kept to a minimum and will be met by Shropshire County Pension Fund.

4. **Regulatory review**

- 4.1 It's important that the administration of the Shropshire County Pension is regularly reviewed to identify any areas that need updating or improving. This is in accordance with the Public Service Pensions Act 2013 and the reason why the Pensions Board was established back on 1 April 2015. Under the Act, the Pensions Board has responsibility for

assisting Shropshire Council, as the Funds Scheme Manager, in relation to the following matters;

- securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it;
- securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator;
- such other matters as the scheme regulations may specify.

4.2 The Pensions Regulator's guidance expects all schemes to carry out a thorough review of the running of the Scheme against the legal requirements and its guidance in Code of Practice 14. This is a significant piece of work to undertake and the Fund has made an initial assessment on its perceived level of compliance. A TPR Compliance Monitoring Spreadsheet has been developed which will be available for the Board to view.

4.3 Each area specified in the Code of Practice has been given a compliance RAG rating (red, amber or green) to help identify any areas where the Fund is non-compliant. Throughout the Code of Practice the term 'must' is used where there is a legal requirement. The term 'should' is used to refer to practical guidance and the standards expected by the Pensions Regulator. The Fund has prioritised the areas of compliance described in the Code of Practice as 'must' and where these have been RAG rated as either amber or red.

4.4 The assessment identified five priority areas which require improvement. All five are a legal requirement where 'must' has been used in the Code of Practice and have been rated as 'amber' meaning requiring investigation. Any areas identified where the term 'should' has been used will be investigated once the priority areas have been resolved. There are no areas identified in the assessment as being Red. The areas identified are in the following sections within the TPR Code of Practice:

- **Governing your Scheme**
Areas of knowledge and understanding required
- **Administration**
Records of member information
Benefit Statements
When basic Scheme information must be provided
- **Resolving issues**
Internal Dispute Resolution Procedure

4.5 Two of the areas which were identified as requiring further improvement by the Fund are aligned to the findings of the Regulator's own survey of compliance which it undertook with all LGPS Fund's. These areas are record keeping and communications to members.

- 4.6** A summary of the assessment exercise and where the priority areas have been found will be provided to the Board. The next review will be undertaken in July 2017 and the developments will be reported to the Board.

5. The Pensions Regulators Survey

- 5.1** The Fund responded to the Pension Regulators Public Service Governance Survey in November 2016. The responses to the survey have been provided to the Board separately.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

NA

Local Member

NA

Appendices

NA

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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