



## **Committee and Date**

Pensions Board

1 May 2020

## **PENSIONS BOARD**

### **Minutes of the meeting held on 1 November 2019**

**In the Bridgnorth Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND  
9.30 - 11.45 am**

**Responsible Officer:** Michelle Dulson

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### **Present**

Liz Furey – Employer Rep

Philip Ingle – Employer Rep

Mike Morris – Pensioner Rep (Chairman)

## **62 Apologies**

62.1 Apologies were received from John Hall, Pensioner Representative and Justin Bridges, the Head of Treasury and Pensions.

## **63 Declarations of Conflicts of Interest**

63.1 No conflicts of interest were declared.

## **64 Minutes of the previous meeting**

### **64.1 RESOLVED:**

That the Minutes of the meeting held on 3 May 2019 be approved and signed by the Chairman as a correct record.

### **64.2 Matters Arising**

#### **Paragraph 50.3 – LGPS Central**

It was confirmed that an update would be provided later in the meeting.

#### **Paragraph 51.1 – Pensions Board Chairs Meeting**

The Chairman confirmed that he had attended a further meeting that week and would update the Board later in the meeting.

#### **Paragraph 52 – Specific Risk Register matrix for the Shropshire Pension Board**

The Communications and Governance Team Leader confirmed that the Risk Register had now been adopted and uploaded onto the website.

### Paragraph 58 – Pensions Dashboard

The Communications and Governance Team Leader informed the Board that the Pensions Bill had been included in the Queen's Speech supporting the national pension dashboard project. She confirmed that the software provider was currently working on this project.

## **65 Public Question Time**

65.1 No public questions were received.

## **66 Administration and Regulatory Updates**

66.1 The Board received the report of the Pensions Manager – copy attached to the signed Minutes – which provided Members with the latest administration and regulatory updates affecting the Local Government Pension Scheme.

66.2 The Pensions Manager drew attention to the update on the exit payments cap consultation (paragraph 5.1 of the report) and explained how this would affect the inclusion of pension strain if an employer were to leave within three months and wished to draw down cash from the scheme. She also drew attention to the updates on the new Fair Deal and changes to the local valuation cycle and the management of employer risk, set out at paragraphs 5.2 and 5.4 of the report respectively.

66.3 In relation to the McCloud and Sergeant Case, the Pensions Manager reported that this had been covered at both the Employers meeting and the Annual meeting when it was explained what was required and what it would mean for employers. She confirmed that as transitional protections had been found to be unlawful, something would need to be done to correct this, which may affect the valuation. She further explained that the cost cap could not be fully enacted until the McCloud cost was known but that one would slightly counteract the other.

66.4 The Pensions Manager explained why it had been suggested that funds contact scheme employers to check whether individual member hours history from 1 April 2014 was available in relation to the underpin (the definition of which was 'within 10 years of normal retirement, employee would be no worse off than previous final salary scheme'). So the final salary data of leavers was still required in order to calculate core benefits. In the absence of these records, a best guess of benefit would have to be done.

66.5 A brief discussion ensued in relation to the results of The Pensions Regulator (TPR) deep dive. It was felt that two meetings per year may not be sufficient and the option of holding three per year was considered by the Board. Discussion also took place around whether more than the current four Members were required and the necessity for a work plan setting out the items to be considered at each meeting. It was

requested that the Chairman of the Central Fund be invited to at least one meeting per year.

66.6 The Pensions Manager drew attention to the 2019 Scheme return data quality scores and data improvement plan set out in paragraph 8 of the report. She reported that there had been some improvement in both the common and scheme specific data scores reported to The Pensions Regulator. The Fund's Data Improvement Plan was being updated in light of these results and Members of the Board agreed with the suggested priority areas for improvement.

66.7 The Pensions Communications Officer informed Members that the Communications Policy was being updated and she requested that Members feed in their comments and thoughts on what Members/Employers required in terms of communication. She agreed to work with the Chairman on pulling together a Work Programme for the Board which would then be circulated to the other Board Members.

**66.8 RESOLVED:**

A. That the contents of the report be noted.

B. That the Fund's approach to updating the data improvement plan (set out in paragraph 8.3 of the report) be agreed.

**67 Pensions Committee Reports and Feedback - Exempt reports to be discussed in exempt session of the meeting.**

67.1 The reports considered by the Pensions Committee at its meeting on 4 October 2019 had been received by the Board. It was suggested that a report be presented to the Pensions Committee setting out the areas of concern etc considered by the Board. A brief discussion ensued in related to cyber-attacks and data breaches.

**68 Update on the Triennial Actuarial evaluation**

68.1 The Director of Finance, Governance and Assurance (Section 151 Officer) gave a verbal update on the Triennial Actuarial evaluation which was in the final throes of the process. He reported that across the fund as a whole, investment levels suggested that the repayment deficit would be closer in relation to the level of funding. Although employer rates were increasing whilst deficit rates were decreasing, the position was relatively positive across the fund as a whole but certain sections were worse off whilst others were better off.

68.2 The Director of Finance, Governance and Assurance (Section 151 Officer) explained that from 1 March 2019 to 1 April 2020 there would be an overall net benefit however the implications of McCloud had yet to be fully realised. Although returns may be in excess, the assets would be slightly lower due to the discount rate. His view was to remove some downside risk in order to protect the fund.

**69 Date of Next Meeting**

69.1 It was subsequently agreed that the next meeting would be held at 9.30am on Friday 1 May 2020.

**70 Exclusion of Press and Public**

**70.1 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.

**71 LGPS Central (Exempted by Category 3)**

71.1 The Director of Finance, Governance and Assurance (Section 151 Officer) gave a verbal update on LGPS Central.

**71.2 RESOLVED:**

That the update be noted.

**72 Overview of recorded breaches and governance update (Exempted by Category 3)**

72.1 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 2018/19 affecting the Shropshire County Pension Fund. The latest updates on other governance issues were also included in the report.

**72.2 RESOLVED:**

That the contents of the report be noted.

**73 Training update (Exempted by Category 3)**

73.1 The Board received the report of the Communications and Governance Team Leader – copy attached to the signed Exempt Minutes – which provided Board Members with the results of the recent knowledge and skills self-assessment.

**73.2 RESOLVED:**

That the contents of the report be noted.

Signed ..... (Chairman)

Date: .....