



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

Date: Thursday, 11 July 2024

**Committee:  
Pensions Board**

**Date: Friday, 19 July 2024**

**Time: 10.00 am**

**Venue: Wilfred Owen Room, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND**

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

There will be some access to the meeting room for members of the press and public, but this will be limited. If you wish to attend the meeting please email [democracy@shropshire.gov.uk](mailto:democracy@shropshire.gov.uk) to check that a seat will be available for you.

Please click [here](#) to view the livestream of the meeting on the date and time stated on the agenda

The recording of the event will also be made available shortly after the meeting on the Shropshire Council Youtube Channel [Here](#)

Tim Collard  
Assistant Director - Legal and Governance

**Members of Pensions Board**

Member Representatives

John Hall

Rebecca Summerlin

Dave Wright (Chairman)

Employer Representatives

Liz Furey

Madeline Murphy

Your Committee Officer is:

**Michelle Dulson** Committee Officer

Tel: 01743 257719 Email: [michelle.dulson@shropshire.gov.uk](mailto:michelle.dulson@shropshire.gov.uk)

# AGENDA

## 1 Apologies and Introductions

## 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 - 4)

The Minutes of the meeting held on 26 April 2024 are attached for confirmation.

## 4 Public Question Time

To receive any questions from the public, notice of which has been given in accordance with Procedure Rule 14. The deadline for this meeting is 5.00 p.m. on Monday 15 July 2024.

## 5 Administration and Regulatory Updates (Pages 5 - 14)

Report attached.

Contact: Vicky Jenks (01743 252192)

## 6 Pensions Committee Reports and Feedback

For Board Members to raise any questions following the recent Pensions Committee meeting.

Please click on the link below to access the reports considered by the Pensions Committee at its meeting on 21 June 2024.

[Agenda for Pensions Committee on Friday, 21st June, 2024, 10.00 am — Shropshire Council](#)

**7 Date of Next Meeting**

The next meeting of the Pensions Board will be held at 10.00 a.m. on the 8 November 2024.

**8 Exclusion of Press and Public**

To RESOLVE that in accordance with the provision of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations and Paragraphs 3 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following items.

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

The Exempt Minutes of the meeting held on 26 April 2024 are attached for confirmation.

**10 Economic Update (Exempted by Category 3) (Pages 15 - 22)**

Report Attached.

Contact: Peter Chadderton (07990 086399)

**11 Pensions Committee Exempt Reports and Papers (Exempted by Category 3)**

For Board Members to raise any questions following the recent Pensions Committee meeting.

Please click on the link below to access the reports considered by the Pensions Committee at its meeting on 21 June 2024.

[Agenda for Pensions Committee on Friday, 21st June, 2024, 10.00 am — Shropshire Council](#)

**12 Governance Update (Exempted by Category 3) (Pages 23 - 102)**

Report attached.

Contact: Alison Grange (01743 253823)

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## Committee and Date

Pensions Board

19 July 2024

## **PENSIONS BOARD**

**Minutes of the meeting held on 26 April 2024  
In the Shrewsbury Room, Shirehall, SY2 6ND  
10.00 am - 11.10 am**

**Responsible Officer:** Amanda Holyoak  
Email: [amanda.holyoak@shropshire.gov.uk](mailto:amanda.holyoak@shropshire.gov.uk) Tel: 01743 257719

### **Present**

Member Representatives: John Hall, Rebecca Summerlin, Dave Wright (Chairman)  
Employer Representatives: Liz Furey (via Teams) Madeline Murphy, Helen Woodvine

### **14 Apologies and Introductions**

Before the meeting started, the Chairman shared the sad news that Mike Morris, previously Chairman, and very active member of the Pensions Board, had recently passed away. Members held a one minute silence in his memory and paid tribute to his dedicated work both for the Board and also during his time working for the Council.

Introductions were made and the Chairman welcomed Rebecca Summerlin to her first meeting of the Board. He also reported that it would be the last meeting for Helen Woodvine. Board members thanked Helen for her work and wished her well for the future.

There were no apologies for absence.

### **15 Declarations of Conflicts of Interest**

None were declared.

### **16 Minutes of the Previous Meeting**

Minutes of the meeting held on 13 October 2023 were confirmed as a correct record.

### **17 Public Question Time**

Responses were provided to three public questions: from Michael Cripps in relation to holding an a Fund Annual General Meeting; Joanna Blackman requesting Pensions Committee to follow the advice of the Carbon Tracker Think Tank; and from Dougald Purce in relation to requesting the Pensions Committee to reconsider its decision on investing in fossil fuels.

These had been submitted for the meeting in January which had been cancelled and brought forward to this meeting. There had been no other questions submitted. A full copy of the questions and the responses provided is available on the web page for the meeting, link: [Public Questions Pensions Board Agenda Item 17 \(shropshire.gov.uk\)](#)

## 18 Administration and Regulatory Updates

Vicky Jenks was welcomed to the meeting and explained that she had been in post as Pension Administration Manager since December 2023. She presented the report which set out information on the activities and performance of the Pensions Administration Team and outlined regulatory updates affecting LGPS.

Her initial review of the team had been carried out to ensure that enough resource and people were in place to deliver work needed. This was in the light of a high turnover of staff which had necessitated training activity alongside the business as usual work, and also the need to absorb ongoing extra project work stemming from McCloud, Pensions Dashboard, work on data quality; and new General Code of Practice.

Board members also noted work underway on development of the Cyber Security Policy for the Fund, Communications (including new telephony system, a virtual assistant BOT and upgrade to a new platform called Engage); Scheme Advisory Board updates and legislation and policy updates.

Board Members asked questions about how the team was coping with workload, and whether there were any vacancies or skills gaps in the team. The Pensions Administration Manager said she was looking into pockets of backlog which had been caused by staff turnover and the need to recruit and train new staff. Overall the team were coping well with workload currently, the Helpdesk was now fully staffed, and there was one outstanding Pensions Officer vacancy to fill.

Her review was considering whether the team was of adequate size to deliver in the face of an increasing workload and the need to absorb the project workload. The recruitment market for LGPS experienced staff was difficult, particularly as the London funds offered higher salaries and now recruited staff from all over the country who could work from home. Going forward, increased emphasis would be given to growing and developing existing staff.

Responding to questions about data quality and cyber security, officers confirmed that learning from cyber attacks on other organisations, including the Pensions Ombudsman, was shared throughout the sector. Some work was needed on data quality, a score of 95% was good but accuracy of addresses had impacted on data scores as this was reliant on members providing updates. Tools such as tracing services would be implemented to improve this.

It was confirmed that connection to the new dashboard was scheduled for October 2025 but this was no likely to go live ahead of October 2026.

Members commented that the 2024 – 2025 Business Plan was an impressive document but felt that it would have been useful for the table on page 21 to include the budget for operational expenses in 2022-23 as well as subsequent years. It was agreed to circulate this information to members of the Board after the meeting.

The Board thanked the Pension Administration Manager for the report.

## 19 **Update from Pension Board Chairs Meeting**

The Chairman had circulated an update from the Pension Board Chairs meeting he had attended on 25 March 2024 and offered to answer any questions. Board members thanked him for the update, had noted the content and did not have any queries.

## 20 **Pensions Committee Reports and Feedback**

It was confirmed that the reports considered by the Pensions Committee at its meeting on 15 March 2024 had been received by the Board and also that the meeting had been observed by two members of the Board.

## 21 **Date of Next Meeting**

The date of the next meeting was confirmed as Friday 19 July 2024 at 10.00 am

## 22 **Exclusion of Press and Public**

### **RESOLVED:**

That in accordance with with the provision of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations and Paragraphs 3 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following items.

## 23 **Exempt Minutes (Exempted by Category 3)**

The exempt minutes of the meeting held on 13 October 2023 were confirmed as a correct record.

## 24 **Economic Update (Exempted by Category 3)**

The Board considered and noted the exempt report of the Pensions Investment and Responsible Investment Manager which provided an update on the general economic conditions and of the impact on the pension fund investments in the first quarter of 2024.

## 25 **Pensions Committee Exempt Reports and Papers (Exempted by Category 3)**

The exempt reports considered by the Pensions Committee at its meeting on 15 March 2024 were received and discussed by the Board and two Board members confirmed that they had observed this part of the meeting.

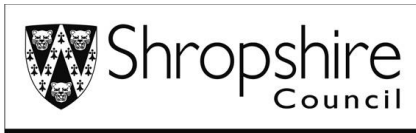
## 26 **Governance Update (Exempted by Category 3)**

The Board considered and noted the report of the Communications and Governance Team Leader which provided an update on governance issues.

Signed ..... (Chairman)

Date: .....





Committee and date

Pensions Board

19 July 2024

10.00am

Item

Public

## Administration and Regulatory Updates

**Responsible Officer:** Vicky Jenks

Email: [vicky.jenks@shropshire.gov.uk](mailto:vicky.jenks@shropshire.gov.uk)

Tel: (01743) 252192

### 1. Synopsis

- 1.1. The report provides Pension Board members with the latest administration and regulatory updates affecting the Local Government Pension Scheme (LGPS).

### 2. Executive Summary

- 2.1. Detail is provided on team workloads and performance, and projects currently being undertaken, including McCloud, Dashboards, Annual Benefit Statement production and The Pensions Regulator new code checklist.
- 2.2. The assurance level following the completion of the 2023-24 Pension Administration Internal Audit remains good which is the highest rating.

### 3. Recommendations

- 3.1. Pension Board members are asked to note the contents of this report with or without comment.

## REPORT

### 4. Risk Assessment and Opportunities Appraisal

#### 4.1. Risk Management

By ensuring the guidance and legislation mentioned in this report is followed and adhered to, risks to the fund are minimised. A risk register is kept and updated in line with council corporate policy.

#### 4.2. Human Rights Act Appraisal

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

#### 4.3. Environmental Appraisal

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

## 5. Financial Implications

- 5.1. Currently there are no direct financial implications arising from this report.

## 6. Climate change appraisal

- 6.1. Energy and fuel consumption: No effect  
Renewable energy generation: No effect  
Carbon offsetting or mitigation: No effect  
Climate Change adaptation: No effect

## 7. Performance and Team Update

- 7.1. The 2023-24 Internal Audit has been completed and the final report shared with the Pensions Administration team. The assurance level remains Good with no change to the control environment noted. There were 6 recommendations requiring attention for which actions have already been taken to address these. These included ensuring that our procedures manual is kept up to date and review dates are updated when changes are made.
- 7.2. To demonstrate outstanding workloads and the performance of the team we have updated the way in which this information is shown. Previously the output and performance were shown in a chart that just indicated the outstanding volume of cases and cases that had been completed either on time or not.
- 7.3. As we head towards the next valuation in 2025, the team have been looking at areas of backlog which will need to be tackled to ensure data held on records is as accurate as it can be. We have a large number of cases where members have multiple records which need to be put together, this is created when a member moves from one post to another, often with the same employer. We also have a large volume of records that need to be processed because the member has left. A backlog of these has been created due to the requirement for employers to send through a form to confirm final pay information. For our larger employers they can have a considerable number of leavers each month and leavers forms are not sent though or not received as quickly as we would like. We are looking at the removal of leavers forms for certain cases, as information required to process a record is sent through iConnect. This will help reduce backlog and the burden on employers to complete the majority of leavers forms. Further developments within iConnect are required before we can do this, these are being looked at by our software provider.
- 7.4. **Appendix A** shows the 17 key performance indicators (KPIs) for cases processed by the Operations team, this shows the number of cases processed by the legal time scales. The fund's objective is to achieve 95% of cases being processed within the agreed time frame. These KPIs are recommended from the Annual Report guidance that has recently been updated. The fund has more ambitious targets set within the administration strategy, these will be reviewed and updated where it is felt that the target may be unachievable.

- 7.5. The graph shows that the volume of work is such that the team have more cases coming in each month than they can complete, certain cases are prioritised, i.e. retirements, which means other cases such as transfers can be delayed as they are not prioritised. However, delays with transfers have occurred due to outstanding guidance following the implementation of the McCloud remedy.
- 7.6. The impact of staff changes seen over the last 18 months has meant that the team's ability to manage the work coming in has reduced. This has been down to time spent training new staff and delays in recruiting to posts. A review of the structure of the team and a business case for additional resources is being finalised. Recruitment to posts where previous experience of working in Local Government Pension Scheme Administration is required has proven difficult. Therefore, we would like to look to 'grow our own' where we introduce more Pensions Assistants and create a career path so that individuals are ready when opportunities for promotion arise.
- 7.7. Since 1 April there have been several team changes on the systems team, we have created an additional part-time Senior Systems Officer to help support new developments in the software system. The existing Senior Systems Officer took flexible retirement reducing to 3 days and we have promoted a Systems Development Worker into the full-time role of Senior Systems Officer. We have also promoted a Pensions Assistant within the Systems team to backfill the Development Officer role. We have now backfilled the Pensions Assistant role and have recruited a Pensions Officer for the Operations team.
- 7.8. Another change that has been implemented is the move of work on new employer admissions into the fund. This has been moved to the Systems team, consolidating this work on to one team rather than split across Systems and Communications and Governance teams.
- 7.9. On 15 May we held a team away day where training was provided by Mercer on The Pensions Regulator new code and the fund's Cyber Security Policy. This was followed by training on the Business Impact Analysis and Service Recovery Plan (BIA & SRP), these topics currently have a raised profile due to the increased national risk of Cyber Security and the requirement in the new TPR code to have an individual Cyber Security Policy for the fund.

## 8. Communications and Governance

- 8.1. The following chart shows statistics on the work undertaken by the helpdesk team not covered by the workflow system which are predominantly completed by the Operations team and reported with the wider team statistics in Appendix A.
- 8.2. The helpdesk received the highest number of telephone calls in April since May 2022, partly due to the on-going voluntary redundancy programme at Shropshire Council and cost of living crisis with more members seeking details on what their pensions are worth and a resulting increase in opt out requests. Despite the huge volume of calls, an answer rate of 94% was achieved.
- 8.3. Numbers of emails received also rose significantly in April 2024, again reflecting the issues of VR and the cost-of-living crisis with many seeking to bring their pension into payment before their Normal Pension Age.

	February 2024	March 2024	April 2024
Telephone calls received to helpdesk team	650	681	880
% of calls answered	97%	95%	94%
Emails received to <a href="mailto:pensions@shropshire.gov.uk">pensions@shropshire.gov.uk</a>	935	781	1,147
% of emails responded to within 3 working days	100%	100%	100%
My Pension Online activation keys issued	94	88	102
Member updates made through My Pension Online	503	306	552
Opt out requests directly dealt with by helpdesk	24	17	38
Incoming post received and indexed to the pensions administration system	3,361	2,585	3,218
1-2-1 video appointments held with scheme members	26	35	26
Users visiting the website	2,924	3,225	3,721

- 8.4. Work continues improving the pensions bot and it is now confident it can answer 67% of member questions. This work will be on-going as we seek to get more members to self-serve, and this is reflected in the increasing number of visitors to the website.

8.5. The fund monitors member take-up of its online area. As of April 2024, the percentage of members who have registered is:

52% active members

44% deferred members

52% Pensioner members

These numbers continue to increase slightly month on month, towards the end of this year we will be updating the online member platform and will be running a promotion campaign to encourage more members to sign up for this online facility.

## 9. Employer performance

9.1. In line with the Shropshire County Pension Fund administration strategy, employers must pay their contributions and lump sum deficit payment by the 19th of the month. Accompanying data must also be submitted via iConnect by this date. The below table shows the percentage of employers who have made payments by the deadline over the last quarter of 2023-24. This table also includes information about employers who make monthly deficit lump sum payments. Information about employers who did not meet these deadlines is covered in the governance report.

	January 2024	February 2024	March 2024
i-Connect data received on time	98%	97%	95%
Monthly contributions received on time	98%	99%	100%
Monthly deficit lump sum payments received on time	100%	98%	100%

## Projects

### 10. McCloud

10.1. The team continue to work through the implementation of the age discrimination remedy, this has created additional work, with the need to spend more time checking records for members in scope.

10.2. We have now had contact from the Teachers Pensions Scheme about teachers who have both a full time and part time teaching post. There are different rules if a teacher holds a full-time contract and an additional part-time contract, for these purposes the additional part-time contract is referred to as 'excess service.' The Transition Protection changes which are being introduced will affect any excess service during the remedy

period. Where there is concurrent full-time and part-time teaching service, the part-time service is not pensionable in the Teachers' Pension Scheme. This excess teaching service will be pensionable in the Local Government Pension Scheme (LGPS). This means we will have to create records for these individuals.

- 10.3.** The number of cases that will need to be reviewed to see if the underpin now applies for members that left in the remedy period have been identified:

These are split into the following categories:

Pensioner – 69

Deferred - 168

Death – 1

There are also 74 records with an underpin error where records have been processed to death status and need manual checking and recalculation.

- 10.4.** We have also had to identify members who have reached the age of 65 in the remedy period and request final salary pay as at age 65, for these individuals from their employers. For this we have identified 730 cases split across 73 different employers. Information has been requested from employers and will be uploaded to each record so that the underpin check can be completed for these members.

## **11. Pension Dashboards**

- 11.1.** A work plan has been created for the Pension Dashboards and monthly meetings are held by the project team to record progress, decisions made and review next steps.
- 11.2.** We are currently looking to procure the Integrated Service Provider (ISP) and data tools that will allow us to connect to dashboards and support our work in keeping data as clean and up to date as possible. This will mean that when members access the dashboards, they can have confidence in the information they can see regarding their pension benefits.
- 11.3.** On 30 April 2024, the Pensions Dashboards Programme (PDP) published version 1.2 of the data standards. The data standards cover the data requirements for 'finding' and 'viewing' pensions information and are mandatory for providers and schemes connecting to the ecosystem. They are there to build a common set of message handling tools to receive and reply with data. Further guidance on connection and the technical, reporting and design standards will be published once tested and validated by the volunteer participants.

**11.4.** Following the work to secure the ISP and data tools, the fund will need to consider how we will manage the additional queries that are directed to the fund once Dashboards go live. We are anticipating that there will be a high-profile national campaign led by the Department for Work and Pensions that will promote the Dashboards. To try and manage additional work that may be created we will direct members to 'self-service' as much as possible using 'my pensions online' and to the fund's website where we have lots of information for scheme members.

## 12. Annual Benefit Statements

- 12.1 Work has now begun on the creation of annual benefit statements for all active and deferred members, which are to be received by members no later than 31 August 2024.
- 12.2 In the newsletter that will go out with annual benefit statements we have included an article for the Shropshire Council's Digital skills team who provide opportunities for eligible Shropshire residents to learn digital skills to help with their everyday life. For members of the fund that may struggle to use technology, we hope that some may take up this offer of free help and then be able to use the member self-service platform.

<b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b> Pensions Committee Meeting 21 June 2024 Pensions Administration Report Pensions Board Meeting 26 April 2024 Administration and Regulatory updates
<b>Cabinet Member (Portfolio Holder)</b> N/A
<b>Local Member</b> N/A
<b>Appendices</b> Appendix A KPI Chart

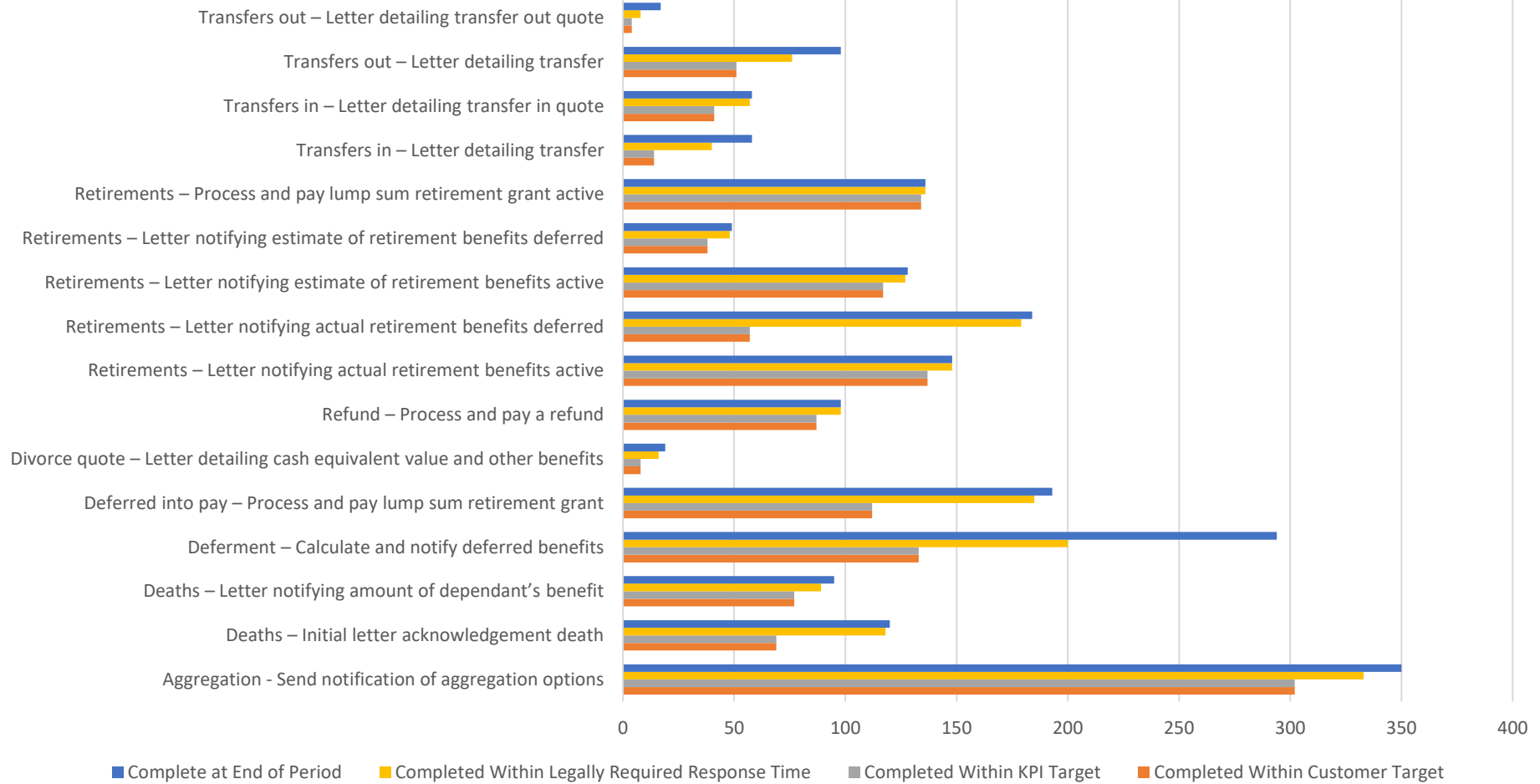
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Appendix A

KPI Category	Complete at End of Period	Completed Within Customer Target	% Complete Within Customer Target	Completed Within KPI Target	% Complete Within KPI Target	Completed Within Legally Required Response Time	% Complete Within Legal Target
Aggregation - Send notification of aggregation options	350	302	86.3%	302	86.3%	333	95.1%
Deaths – Initial letter acknowledgement death	120	69	57.5%	69	57.5%	118	98.3%
Deaths – Letter notifying amount of dependant’s benefit	95	77	81.1%	77	81.1%	89	93.7%
Deferment – Calculate and notify deferred benefits	294	133	45.2%	133	45.2%	200	68.0%
Deferred into pay – Process and pay lump sum retirement grant	193	112	58.0%	112	58.0%	185	95.9%
Divorce quote – Letter detailing cash equivalent value and other benefits	19	8	42.1%	8	42.1%	16	84.2%
Refund – Process and pay a refund	98	87	88.8%	87	88.8%	98	100.0%
Retirements – Letter notifying actual retirement benefits active	148	137	92.6%	137	92.6%	148	100.0%
Retirements – Letter notifying actual retirement benefits deferred	184	57	31.0%	57	31.0%	179	97.3%
Retirements – Letter notifying estimate of retirement benefits active	128	117	91.4%	117	91.4%	127	99.2%
Retirements – Letter notifying estimate of retirement benefits deferred	49	38	77.6%	38	77.6%	48	98.0%
Retirements – Process and pay lump sum retirement grant active	136	134	98.5%	134	98.5%	136	100.0%
Transfers in – Letter detailing transfer	58	14	24.1%	14	24.1%	40	69.0%
Transfers in – Letter detailing transfer in quote	58	41	70.7%	41	70.7%	57	98.3%
Transfers out – Letter detailing transfer	98	51	52.0%	51	52.0%	76	77.6%
Transfers out – Letter detailing transfer out quote	17	4	23.5%	4	23.5%	8	47.1%
<b>Grand Total</b>	<b>2,086</b>	<b>1,383</b>		<b>1,383</b>		<b>1,893</b>	

### Completion Within Review Period - 01/02/2024 to 30/04/2024



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