



Committee and Date

Pensions Board

INSERT NEXT MEETING DATE

PENSIONS BOARD

Minutes of the meeting held on 13 April 2018

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

9.30am – 11.00am

Responsible Officer: Michelle Dulson

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

Present

Mike Morris – Pensioner Rep

Philip Ingle – Employer Rep

15 Apologies

15.1 An apology was received from Liz Furey – Employer Rep.

16 Declarations of Conflicts of Interest

16.1 No conflicts of interest were declared.

17 Minutes of the previous meeting

17.1 Paragraph 5.2

The Pensions Administration Manager updated the Board in relation to the Scheme Advisory Board Consultation on Academies. The next step was for a working party to look at the main issues including the scope to ringfence liabilities and a consistency of approach. Meetings in February between the MHCLG and Dfe included two working groups looking at Administration and funding. The issue of how monthly information flows into the Pension Fund was also being considered. In response to a query, the Pensions Communication Officer confirmed that Membership of the Scheme Advisory Board included representatives from scheme employers together with representatives from all three unions (Unison, GMB and Unite).

17.2 Paragraph 5.5

It was confirmed that Roy Morris had been appointed as the Council's Data Protection Officer under the new Data Protection Rules and that the Pension Fund did not require its own DPO. It was requested that Roy Morris be invited to a future meeting of the Pensions Board to give an overview of his role.

17.3 RESOLVED:

That the Minutes of the meeting held on 13 April 2018 be approved and signed by the Chairman as a correct record.

18 Public Question Time

18.1 No public questions were received.

19 Pensions Committee Updates - Exempt reports to be discussed in exempt session of the meeting.

19.1 The reports considered by the Pensions Committee at its meeting on 16 March 2018 had been received by the Board. In response to a query in relation to paragraph 3.4 of Agenda Item 16 – Pensions Administration Monitoring Report, it was confirmed that the increased costs due to the increased governance introduced by the Public Services Pension Act 2013 together with LGPSs having to fully index GMP's were to be borne by the Pension Fund.

19.2 Turning to paragraph 4.1 the Pensions Communication Officer updated the Board in relation to the team's output and performance levels. Following December's high levels of tasks that became due and procedures outstanding, it was confirmed that these were coming down.

19.3 The Pensions Communication Officer responded to a number of queries in relation to Auto enrolment opt out, and scams.

20 Administration and Regulatory Updates

20.1 The Board received the report of the Pensions Communication Officer – copy attached to the signed Minutes – which provided Members with the latest administration and regulatory updates affecting the Local Government Pension Scheme. The Pensions Communication Officer took Members through the main points of the report and answered a number of queries.

20.2 The Pensions Administration Manager updated the Board in relation to a decision not to award ill health benefit that had been sent to the Pensions Ombudsman. She went on to explain that training was being provided to employers around how decisions should be reached and how to respond to any medical issues, whether undiagnosed or whether certain treatments had been looked into, also the likelihood of treatment being successful etc. Employers need to question what the medical examiner was telling them.

20.3 In response to a query, the Pensions Communication Manager reported that the Pensions Dashboard was still being worked on. She explained that the dashboard was being rolled out to the private sector first and that it was unclear how it would work in the public sector. The software providers were currently working on the software.

20.4 In response to a query, the Pensions Administration Manager explained that if the £1million lifetime allowance was exceeded, the value of the capital would be tax free up to 25%, but over that there would be an additional tax.

20.5 RESOLVED:

That the contents of the report be noted.

21 Update on Breaches of LGPS Regulations

21.1 The Board received the report of the Pensions Communication Officer – copy attached to the signed Minutes – which informed Members of the latest breaches of the LGPS regulations affecting the Shropshire County Pension Fund.

21.2 The Pensions Communication Officer reported that 11 discretions policies were still outstanding. She informed the Board that they were chasing these policies and had the option to report the employers to the Pensions Regulator. Documentation was available evidencing what was being done to chase these up. The employers were opening themselves up for challenge by not having a policy in place, especially if they were in breach in other areas.

21.3 The Pensions Communication Officer explained that although the Pension Fund had quite a good record, the Pension Regulator was looking for 100% compliance which was difficult to achieve. She went on to say that there had been no material breaches, although two were being looked at to check whether any improvements had been made.

21.4 Members wished to be kept informed of progress at future meetings.

21.5 RESOLVED:

That the contents of the report be noted.

22 Employers Insolvency

22.1 The Board received the report of the Pensions Administration Manager – copy attached to the signed Minutes – which provided information on how the fund manages the different employers participating in the scheme and the measures in place to protect the fund in the event of employer insolvency.

22.2 The Pensions Administration Manager took Members through the main points of the report and explained that regulations now gave full cover to all of the scheme employers, whereas under previous regulations some bodies did not have to provide a guarantor or Bond, eg old Local Authority colleges, so although they had to be in the fund, with no guarantor or bond, they were a risk to the fund. Admitted bodies were only allowed in the scheme if they could provide a guarantor or bond. As at 31 March 2018 the fund had four Admission Bodies with no guarantor, three of these had bonds however one had no cover.

22.3 RESOLVED:

That the contents of the report be noted.

23 Review of Policies

23.1 The Board received the report of the Pensions Communication Officer – copy attached to the signed Minutes – which provided the latest report on the administration policies of the Shropshire County Pension Fund, which were regularly reviewed in line with guidance from the Pensions Regulator. Work had begun on updating three policies which would be reported to the Pensions Committee at its meeting in July.

23.2 RESOLVED:

That the contents of the report be noted.

24 Cross Pool Open Forum session

24.1 The Chairman gave a verbal update on the Cross Pool Open Forum session which he had attended on 27 March 2018 in London. The three main topics had been Pooling; the Role of the Scheme Advisory Board; and sharing information on progress. The biggest message seemed to be in relation to the hidden costs in terms of fees, which were more than previously anticipated.

24.2 Also, the Chairman reported that the estimated figures for long term benefits had been updated in the LGPS Central Business Plan. The Pensions Communication Officer agreed to feed these comments back to the LGPS Central.

24.3 The Head of Treasury and Pensions reported that it was hoped to set up a Members forum going forward.

25 LGPS Central Update

25.1 The Head of Treasury and Pensions gave a verbal update on LGPS Central, which was ahead of the other pools and went live on 3 April 2018 with £12million of assets. He reported that staff from the West Midlands and Derbyshire funds had been TUPED over and there were now 32 permanent members of staff, some on an advisory basis. The CEO and Chairman of the Board will be attending future meetings of the Pensions Committee. The fund was progressing well and managing its money and was on target to achieve £250 million of savings. He reported that the Governance structure was in place and that the Executive Committees and Joint Committee were up and running.

25.2 The Head of Treasury and Pensions reported that himself and the Section 151 Officer were receiving monthly updates. The fund was currently out to tender for a global equities manager and hoped to be in a position to appoint a manager by September 2018. It was confirmed that the first asset from Shropshire would be transferred in September. Finally, the Head of Treasury and Pensions drew attention to the key priorities for 2018/19 and informed the Board that the CEO and Chairman of the Board could be invited to present to a future meeting of the Pensions Board.

26 Training requirements for 2018/19

26.1 The Pensions Communication Officer discussed the training requirements for the upcoming year. She circulated information highlighting what was on the Pensions Regulations horizon and indicated that training requirements had been identified in the areas of legislation, administration and performance and risk management. An updated TPR module would be available in June 2018 which Members may be required to complete. Board Members were also invited to attend employers meetings and meetings of the Pensions Committee.

26.2 In response to a query the Pensions Communication Officer informed the Board that part of their role was to assist the Fund ensure its compliance with regulations. It was agreed that more direction was required from the Scheme Advisory Board.

27 Update on the Appointment of a new Board Representative

27.1 The Pensions Communication Officer updated the Board in relation to the appointment of a new Board representative. The closing date for applications was 21 May 2018 with interviews being held on Wednesday 6 June. The Pensions Communication Officer agreed to keep the Chairman updated.

28 Date of Next Meeting

28.1 It was agreed to wait until a new Member had been appointed before setting a date for the next meeting.

29 Exclusion of Press and Public

29.1 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 the following items on the grounds that they involve the likely disclosure of exempt information as defined by the categories specified against them.

30 Data Improvement Plan (Exempted by Category 3)

30.1 The Committee received the exempt report of the Pensions Communication Officer – copy attached to the signed exempt Minutes – which provided an update on the Fund's Data Quality Review and the Data Improvement Plan being drafted to be put in place to address any data issues.

30.2 RESOLVED:

That the contents of the report and contents of the draft data improvement plan be noted.

31 Exempt Pensions Committee Updates (Exempted by Category 3)

31.1 The Board received the exempt reports considered by the Pensions Committee at its meeting on 16 March 2018.

31.2 **RESOLVED**

That the contents of the exempt reports be noted.

Signed (Chairman)

Date: