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| <b><u>Committee and Date</u></b> |
| Pensions Board                   |
| 6 November 2026                  |

## **PENSIONS BOARD**

### **Draft Minutes of the meeting held on 11 September 2026**

**In the Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ  
10.30 - 11.05 am**

**Responsible Officer:** Michelle Dulson

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### **Present**

Member Reps: Nick James. Andy Watkin

Employer Reps: Paul Partridge

### **49 Election of Chairman for the meeting**

Nominations were sought for a chair for the duration of the meeting.

It was moved, seconded and **RESOLVED:**

That Nick James be elected to take the Chair for the duration of the meeting.

### **50 Apologies**

Apologies were received from Liz Furey (Employer representative), Sarah Leese (Employer representative) and John Hall (Pensioner representative).

### **51 Declarations of Conflicts of Interest**

No conflicts of interest were declared.

### **52 Minutes of the previous meeting**

### **RESOLVED:**

That the Minutes of the meeting held on 1 May 2026 be approved and signed by the Chairman as a correct record.

### **53 Public Question Time**

No public questions had been received.

### **54 Administration and Regulatory Updates**

The Board received the report of the Pensions Administration Manager which provided Members with the latest administration and regulatory updates affecting the Local Government Pension Scheme.

The Pensions Administration Manager introduced and amplified her report which updated Members on the work undertaken by the pensions administration team.

It was reported that 11 out of 14 key performance indicators were being met within the 95% target, with recent process changes and additional staffing supporting improvements in previously underperforming areas, particularly transfers in, transfers out and early leaver calculations. Significant operational pressures were highlighted, primarily driven by ongoing regulatory changes including McCloud remedy work, access and fairness requirements involving retrospective benefit adjustments, pensions dashboard implementation work in preparation for future member access, and broader “fit for the future” governance reforms requiring extensive policy review and additional unplanned workload. Governance-related changes also included recruitment of an independent person, amendments to the constitution, and preparation for an independent governance review to be undertaken by an external provider.

It was further noted that year-end reconciliation had been completed and annual benefit statements had been issued to all members within the statutory deadline. The McCloud project remained partially outstanding due to capacity constraints, software dependencies and outstanding government guidance, with completion now expected after the original deadline. It was confirmed that the cases that had not been completed would need to be reported to the Pensions Regulator although the issue was not considered a material risk for the fund in terms of member impact, as only a small proportion of members were expected to see benefit changes, and that similar reporting was expected across many funds nationally. Employer-related performance was also reviewed, with contribution collection reported as strong at 98% on time, although issues remained with iConnect data submissions, largely linked to changes in payroll providers affecting timely data flow.

Communication performance remained generally strong through the helpdesk function, although concerns were raised regarding the accuracy limitations of the existing pensions chatbot, which relied on rigid keyword matching and therefore produced inconsistent results depending on how queries were phrased. It was confirmed that while the bot handled a proportion of queries successfully and reduced administrative burden, it still required escalation for a significant number of cases and improvements were planned through migration to a more advanced system scheduled for introduction in the new year.

During discussion of the McCloud reporting position, it was observed that the risk explanation provided alongside the non-compliance position was clear and appropriately set out, particularly in terms of explaining impact and mitigation. A question was also raised regarding the effectiveness and value of the pensions chatbot given its accuracy limitations. In response, it was explained that the system still handled approximately 100 queries per month with around three quarters being answered correctly, with remaining queries being referred to staff or signposted to additional resources. It was confirmed that the system was still considered to have operational value but that ongoing improvements were limited under the current platform, and that a more sophisticated replacement would be introduced to improve query handling and accuracy.

**RESOLVED:**

To note the KPI chart and the information provided on KPIs that were not currently meeting the 95% target for completion within statutory timescales, including the actions being taken to address this. (Appendix A)

To note the progress and completion of key activities from the Fund business plan for Q1 2026-27. (Appendix B)

To note the progress of the Pension Dashboard implementation which was provided in the separate update report (Appendix C)

## **RESOLVED:**

That the contents of the report be noted.

## **55 Governance Update**

The Board received the report of the Pensions Administration Manager which provided an update on the Breaches of LGPS regulations recorded between 1 April 2026 and 30 June 2026 affecting the Shropshire County Pension Fund. Updates on all other governance issues were also included within the report along with an update on the number of stage 1 and 2 appeals which had been received under the Internal Disputes Resolution Procedure (IDRP).

The Pensions Administration Manager introduced and amplified the report. She highlighted that a significant proportion of current breaches were linked to ongoing issues arising from a change of payroll provider affecting a group of employers, which had resulted in persistent delays in both contribution payments and data submissions. Despite sustained engagement with the employer and the new payroll provider, improvements had not been achieved, and the issue had been ongoing for an extended period. As a result, this matter had been escalated and reported to the Pensions Regulator due to its increasing materiality and its impact across multiple establishments, including a number of schools.

The Board was advised that this escalation was considered necessary in line with regulatory expectations for reporting material and persistent breaches, and that continued monitoring and engagement would remain in place. It was also noted that, while progress had been attempted, the lack of sustained improvement meant further regulatory intervention was appropriate.

The report confirmed that there were no breaches to report in relation to the Committee, the Board, or the Fund for the current quarter. It was also noted that any McCloud-related breaches would be included in the following quarter's reporting cycle due to timing. In addition, there had been no Stage 1 Internal Dispute Resolution Procedure cases reported during the quarter under review.

The Governance Update further included reference to the inclusion of a new workforce strategy document within the reporting pack, which was presented for review and

comment ahead of its progression to the Committee for approval. This formed part of wider governance developments associated with ongoing regulatory reforms.

A broader update was also provided on regulatory change and governance workload pressures, particularly in relation to access and fairness reforms, which were described as generating significant retrospective review requirements as well as ongoing implementation work. The Board was informed that recruitment of an independent person was underway with a required completion timeframe by the end of December, alongside planned amendments to the Fund's constitution to reflect governance changes. It was also noted that an independent governance review was being procured from an external provider, which would assess governance arrangements and potentially identify areas for improvement ahead of the next valuation cycle.

**RESOLVED:**

To note the contents of the report, along with the contents of Appendix A (Breaches Log);

To note the new Fund Workforce Strategy and the extensive work for additional governance requirements that had been created from the Fit for the Future legislative changes.

**56 Pensions Committee Reports and Feedback**

The reports considered by the Pensions Committee at its meeting on 19 June 2026 had been received by the Board.

**57 Date of Next Meeting**

The next meeting would be held on Friday 6 November 2026 at 10.00am.

**58 Exclusion of Press and Public**

**RESOLVED:**

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.

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

**RESOLVED:**

That the Exempt Minutes of the meeting held on 1 May 2026 be approved and signed by the Chairman as a correct record.

**60 Economic Update (Exempted by Category 3)**

The Board received the exempt report of the Pensions Investment and Responsible Investment Manager which provided an update on the general economic conditions since the last update, along with the impact on the pension fund investments for 2025/26.

**RESOLVED:**

That the contents of the report and Appendix A be noted.

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

The exempt reports considered by the Pensions Committee at its meeting on 19 June 2026 had been received by the Board.

Signed ..... (Chairman)

Date: .....