

Meeting of the HSC Pension Scheme Pension Board

The Glasshouse Stormont Castle

Wednesday 30 January 2019

In Attendance:

David Best (DB)	Chairperson
Russell McGowan (RMG)	DoH – (Secretariat)
Phil McCusker (PMC)	DoH
Andrea Henderson (AH)	BSO
Kevin McCabe (KMC)	Nipsa
Maryna Chambers (MC)	Northern HSC Trust
Jacqui Kennedy (JC)	Belfast HSC Trust
Noeleen McCreanor (NMC)	South Eastern Trust

Apologies:

Martin Bradley (MB)	HSC Pension Service
Dessie Lowry (DL)	RCN
Dr Padhraic Conneally (DPC)	BMA
Cara McLaughlin (CMC)	Western HSC Trust
Mary Caddell (MC)	RCM
Alan Stout (AS)	NIGPC
Roberta Magee (RM)	UNISON
Kevin McAdam (KMA)	UNITE

1. Welcome / Introductions / Apologies

The Chair welcomed those attending, conveyed apologies received and confirmed that the meeting was not quorate. He welcomed Noeleen McCreanor as a new employer representative on the Board replacing Oonagh Burns.

2. Conflict of Interest

No conflicts of interests were declared. The Chair informed members that he was also a Board member of the Public Prosecution Service.

It was agreed that members should complete the Register of Interests (ROI) proforma prior to the next Board meeting.

ACTION POINT 1: Secretariat to issue ROI proforma for completion prior to next meeting.

3. Minutes of Previous Meeting

Board Members agreed the minutes of the previous meeting held on 6 November 2018 subject to a minor spelling correction.

4. Action Points from Previous Meeting

AP2 – This action point was cleared, however members agreed that it would be useful to know the number of Band 8A staff who have taken out a salary sacrifice since 1 April 2017

AP5 – This action point is still outstanding. **MB** to issue via e-mail clarification of timeline/process on Annual allowance / Scheme Pays for GPs/Dentists. All other Action Points from the previous meeting have been cleared.

ACTION POINT 2: Secretariat to obtain total of Band 8A staff on Salary Sacrifice since 1 April 2017

ACTION POINT 3: MB to e-mail clarification of timeline/process on Annual Allowance / Scheme Pays for GPs/Dentists.

5. Scheme Managers Report

In **MB's** absence the Chair covered the main points in the Scheme Manager's report. The main issues discussed were as follows:-

GMP Exercise

It was agreed that **MB** should include comparative figures of previous reports to enable board members to determine level of progress being achieved.

Breach of Law – Outstanding Employer Contributions

It was agreed that **MB** should update members whether the outstanding employer contributions (circa 25%) has been paid.

Annual Benefit Statements (ABS)

NMC stated that she was aware that some ABS statements were not issued due to scheme data issues. It was agreed that **MB** should provide an update as to the number of ABS statements that have been issued / yet to be issued.

Scheme Advisory Board (SAB) - Update

PMC updated members on the McCloud/Sergeant court ruling and how it has affected the SAB work on cost cap rectification and the significant impact it may have on the scheme if the current ruling is upheld on appeal.

RMG informed members that although work on cost cap rectification has been suspended pending the McCloud/Sergeant appeal, the Department is required to implement a new employer contribution rate and renew the current employee contribution rates from 1 April 2019. He further advised that a consultation on draft regulations will commence shortly on both these issues.

MC stated that the SAB proposal to revalue member contribution tiers each year would be very helpful as members would not move to a higher tier as a result of a pay rise. **AH** asked if the SAB cost cap rectification paper could be shared with Board members.

Trust Liaison Officers

MC and **NMC** confirmed that the information sessions provided were well attended and well received by staff.

JK advised that Belfast Trust had requested **MB** to attend a medical staffing committee to provide pension information and guidance.

In addition she also raised the issue of high earners leaving the scheme early, mainly due to Annual Allowance (AA) and Lifetime Allowance (LTA) limits, and the problems that this causes for employers in relation to gaps in the service / cost of employing locums. **MC** agreed that this was an issue across all Trusts.

RMG explained that the issue of high earners leaving early / opting out was not unique to NI but that it is also a concern in the GB health schemes. He advised that AA and LTA limits are set by HMRC and the pension scheme is restricted as to what it can do to help alleviate the problem. He advised members that a proposal to introduce 50/50 pensionable pay as a way to mitigate against high

earners leaving early was being considered, but that it may be some time before any decision to implement this option is taken.

ACTION POINT 4: MB to include GMP figures from previous reports to assess level of progress

ACTION POINT 5: MB to confirm if the outstanding employer contributions of circa 25% have been paid

ACTION POINT 6: Secretariat to check if SAB cost cap rectification paper can be shared with members

6. Cyber Security

It was agreed that **MB** should update members via email on any cyber security issues since the previous meeting

ACTION POINT 7: MB to update members on cyber security issues

7. Data Issues / Improvement Plan Update

This was discussed briefly via the scheme Managers report where it was noted that recruitment was underway for nine additional staff to assist HSC Pension Service in dealing with payroll/pension data issues.

8. Policy Update

This issue was covered by **PMC** and **RMG** at item 5 above - Scheme Advisory Board (SAB) Update.

9. Public Sector Pensions Conference – 3/4/19

Secretariat to provide members with conference booking arrangements

ACTION POINT 8: Secretariat to provide members with conference booking arrangements

10. Annual Performance Review

The Chair informed members of his recent annual appraisal with Jackie Johnston from DoH. He felt that an annual group appraisal of the Board could be undertaken in June each year, rather than on an individual basis and a record of training and Board Meeting attendance could also be kept. He informed members

he had also consulted with the Independent Chair of the Education Pension Board on this issue. **PMC** suggested that DoF Pension Board be contacted as to what they do in relation to annual appraisals.

ACTION POINT 9: Secretariat to check with DoF PB regarding annual appraisals.

11. Away Day

Members attending agreed to reschedule the away day until after the Public Sector Pensions Conference of the 3 April, as members felt the conference might provide some useful information to benefit discussions at the away day.

The away day will now take place on the same date as the next scheduled Board meeting on 8 May 2019 in the Glasshouse Stormont Estate.

The day will commence at 10.00 a.m. and is expected to end around 15.00 p.m. The away day agenda will take place in the morning with the Board meeting taking place in the afternoon

It was agreed the two main topics on the away day agenda should be the Pension Board Strategic Plan and Board Member training, with **MB** taking the lead on training.

Members agreed it would be useful to invite the chair of the Teacher's Pension Board to attend the away day.

ACTION POINT 10: Secretariat to notify members of the revised date for the away day

ACTION POINT 11: Chair to invite the chair of the Education Pension Board to attend the away day.

12. Pension Board Risk Register

Following a short discussion it was agreed that the risk register should be given more consideration at future meetings. Members agreed with a proposal by **AH** that the McCloud/Sergeant court ruling should be added to the risk register, and

the issue of high earners retiring early / leaving the scheme should also be added.

ACTION POINT 12: Secretariat to update risk register to include McCloud/Sergeant and high earner issue

13. AOB

BSO Audit Report 2017/18

AH informed members that the 16/17 audit report had been initially given a limited assurance but since the introduction of an improvement plan it has been uprated to satisfactory.

Members then discussed the joint payroll/pensions BSO Audit Report of 17/18, in particular, the employer contribution shortfall and death in service (DIS) issues detailed in the report.

AH explained the background to the DIS issue advising that a new more robust process was in place which will help resolve pensionable pay issues.

In relation to the employer contribution shortfall she confirmed that payment of the remaining 25% was imminent and that a system fix has been tested and will shortly come into operation to prevent this issue from happening again.

It was agreed that **MB** should provide an update to the Board on points 5 to 10 in the Summary of Findings and Recommendations table, and provide the Board with a copy of the follow up audit.

The secretariat agreed to check the date when the next joint BSO pension/payroll audit was scheduled and if a copy of the NI Audit Office Report on pensions could be provided to Board members.

Pension Regulator Survey

Members raised no issues in relation to the pension regulator survey completed by DoH, HSC Pension Service and the Chair.

Pension Dashboard – GB Consultation

The Chair outlined his response to the consultation, in particular the benefits for members, but also the practicalities of having 26,000 pension schemes involved. He stated it was his view that the dashboard would not be greatly beneficial to the HSC scheme.

Pension Ombudsman – GB Consultation

The Chair outlined his response to the consultation, i.e. the only relevant issue being the proposal for the introduction of a mediation process, which he believed was a good proposal as it would be a much shorter process than the current dispute resolution process.

DoC Consultation – Equality Regulations

MC noted that it was a short consultation. Members welcomed proposals detailed in the consultation.

ACTION POINT 13: MB to provide an update on points 5 to 10 of the Summary of Findings and Recommendations table in the Audit Report

ACTION POINT 14: MB to provide the Board with a copy of the BSO follow up audit report

ACTION POINT 15: Secretariat to check the date of the next BSO audit

ACTION POINT 16: Secretariat to issue a copy of the NI Audit report on pensions

14. Date of Next Meeting

Next Meeting

Wednesday 8 May 2019

10.00 to 13.00 – ‘Away Day’ Agenda

13.30 to 15.00 – Board Meeting

Venue

Glasshouse - Stormont Estate - Belfast