Meeting of the HSC Pension Scheme Pension Board

The Glasshouse Stormont Castle

Wednesday 8 May 2019

In Attendance:

David Best **(DB)**	**Chairperson**
Russell McGowan **(RMG)**	DoH – **(Secretariat)**
Phil McCusker **(PMC)**	DoH
Martin Bradley **(MB)**	HSC Pension Service
Maryna Chambers **(MC)**	Northern HSC Trust
Noeleen McCreanor **(NMC)**	South Eastern Trust
Cara McLaughlin **(CMC)**	Western HSC Trust
Dr Padhraic Conneally **(DPC)**	BMA
Dessie Lowry **(DL)**	RCN
Roberta Magee **(RM)**	UNISON

Apologies:

Andrea Henderson **(AH)**	BSO
Maria Morgan **(MM)**	NIPSA
Mary Caddell **(MC)**	RCM
Alan Stout **(AS)**	NIGPC
Kevin McAdam **(KMA)**	UNITE

1. Welcome / Introductions / Apologies

The Chair welcomed those attending, conveyed apologies received and confirmed that the meeting was not quorate. The Chair indicated that the main sections in the Business Plan for 2019/20 was agreed in the morning meeting. The Chair will update the Plan and circulate to members. Some background information to be completed by RMG.

ACTION Point 1: Chair to update the Business Plan and circulate to members / RMG to provide background information.

2. Conflict of Interest

No conflicts of interests were declared.

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

ACTION POINT 2: 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 30 January 2019 subject to a minor spelling correction.

4. Action Points from Previous Meeting

AP2 – HSC Pension Service currently seeking figures from BSO Payroll

AP3 – **MB** to check what information is provided to GPs/Dentists in relation to Annual Allowance deadlines and the Scheme Pays process

AP7 – MB confirmed No cyber issues reported this reporting period

AP12 – **Chair** to provide secretariat with updated pension board risks agreed at business planning session

AP13/14 – **MB** informed members that the Pension/Payroll Internal Audit report would not be made available to the Board, however Internal Audit would provide a summary report specific to pension issues. The chair stated he was surprised that the report would not be made available to the Pension Board, however Board members agreed to see what was included in the summary report before revisiting this issue again.

AP15 – MB agreed to the provide the pension audit plan and timing of the next audit prior to next meeting

AP16 – Secretariat to provide NI audit statement contained in the pension scheme accounts prior to next meeting

ACTION POINT 3: HSC Pension Service to provide number of Band 8A staff on Salary Sacrifice since 1 April 2017

ACTION POINT 4: Chair to provide secretariat with updated risks agreed by board members at business planning session

ACTION POINT 5: MB to provide board with pension audit plan and timing of next Internal Audit

ACTION POINT 6: Secretariat to provide NI Audit statement from the scheme accounts

5. *Scheme Managers Report*

MB covered the main points contained on the Scheme Manager's report, in particular:-

Scheme Growth

He advised that scheme overall membership had increased between 31 March 2012 and 31 March 2018 from 106,977 to 131,179 and this was primarily due to the effects of auto enrolment and increased pension awareness by staff. He agreed to continue to have this information provided in future scheme manager reports. He further advised that the increase in retirements was as expected and that retirements tend to spike at start of summer.

In response to a query from **DL, MB** agreed to provide the board with a report of activity related to the HSC Pension Service website.

ACTION POINT 7: MB to provide a report on HSC Pension Service website activity

GMP Exercise

MB confirmed that the GMP exercise has been completed. Board members expressed their thanks for the good work in completing this complex exercise.

Annual Benefit Statements (ABS)

MB stated that 58,000 ABS had been uploaded to the self-service portal and that 11,000 members had currently registered for on line access.

In response to queries from **RM and DL, MB** advised that ABS cannot be accessed from home computers due for security reasons.

RM stated that thousands of staff are unable to access their ABS statement on line as they have no access to a work based computer. **MB** confirmed that staff who were unable to access their ABS online could request a hard copy from HSC Pension Service.

Annual Allowance

In response to a query from **PC, MB** agreed to check if BSO payroll could provide the total payroll figures to HSC Pension Service to help identify staff who had breached the threshold income and therefore subject to an annual allowance limit lower than £40,000.

ACTION POINT 8: MB to check with BSO payroll if total pay figures can be provided via the pension to payroll interface.

Outstanding PSSC Queries

MB informed members that a new team was now established within HSC Pension Service comprising 9 staff who will be working full time on pension/payroll data issues and payment processing. The team will be utilising interactive online forms to streamline the pension payment process, and in response to a query from **MC** confirmed that a pension tracking process would be available to employers/staff.

Compliance Officer

MB advised that HSC Pension Service would be seeking funding for a compliance officer perhaps on a pilot basis from the Transformation budget, to ensure that HSC Pension Service processes and systems are compliant with any future changes to scheme policy / regulations.

Scheme Advisory Board (SAB) - Update

DL gave a brief update on SAB rectification paper and that the cost cap rectification process has been parked pending the outcome of the McCloud/Sergeant court appeal. The chair enquired if a brief paper could be provided explaining, in particular, how as a result of the scheme valuation the employer contribution rate has increased while the SAB recommends an employee contribution reduction.

ACTION POINT 9: Pension Policy Unit to provide information how the scheme valuation impacts on employer and employee contribution rates.

MB took members through the attendance figures in relation to employee engagement sessions/workshops, in particular highlighting the request for one to one consultations. The consensus from Board members was that all were happy with the performance and results, and agreed that the engagement sessions/workshops provided good value for money.

ACTION POINT 10: MB to provide comparison figures for future scheme manager reports

ACTION POINT 11: MB to ensure HSC Pension Service employer newsletters are issued to Board members

Service Level Agreement Targets

MB confirmed that HSC Pension Service were meeting all SLA targets and that HSC Pension Service was coming out at the 'lowest cost per head' across UK Pension Schemes according to the pension scheme benchmarking annual report.

ACTION POINT 12: MB to provide board members with a copy of the pension scheme benchmarking report

6. Cyber Security

MB confirmed the HSC Pension Servers were included within the BSO continuity plan which also contains the HSC Pension Service continuity plan. Board members were content with the Scheme Manager's update that no cyber security issues occurred in this reporting period.

7. Data Issues / Improvement Plan Update

MB informed Board members that HSC Payroll have identified 16 IT changes due for implantation shortly, that should greatly improve data quality. In response to a request from the **Chair, MB** agreed to provide a brief report specific to data accuracy/improvement as an annex to the Scheme Manager's report.

ACTION POINT 13: MB to include a report on data accuracy/improvement as an Annex to the Scheme Manager's report.

8. Policy Update

Outside of the McCloud/Sargeant court appeal which was covered in the morning business planning session there were no further policy issues

9. Annual Performance Review

The **Chair** stated that detailed member appraisals was not his preferred approach. Board members agreed with the **Chair's** proposals that annual appraisal's should focus on three specific issues:-

- Member training;
- Board meeting attendance;
- Poor / Good performance.

It was agreed that members should complete a training needs analysis (TNA) proforma prior to the next meeting.

ACTION POINT 14: Members to complete TNA proforma prior to next meeting

10. Pension Board Risk Register

At the morning business planning session members attending agreed the current risk register should be replaced with the following seven risks and that they be included in the Board Business Plan for 2019/20:-

- Inaccurate data
- Adequacy and use of resources
- Knowledge and understanding of Board members and
- McCloud legal challenge to the Governments new Pension Regulations
- The impact of the Pensions Scheme on 'high earners'
- Over and under payments of contributions and receipts
- Breach of Law

11. AOB

Pension Conference

The Chair provided a brief summary of the main issues covered at the recent Pension Conference held in the Titanic quarter, in particular, data quality, lack of

knowledge of some board members, low reviews of risk registers, issues with annual benefit statements and poor scheme administration.

Pensions Dashboard

The Chair stated it was his belief that the Pension Dashboard being developed may not be particularly helpful to public service pension schemes but could have some benefits for private pension schemes.

12. Date of Next Meeting

Next Meeting

Thursday 22 August 2019   13.30 to 15.00

Venue to be confirmed but will be in the Antrim Area.