### Meeting of the HSC Pension Scheme Pension Board

### Via Teams

### 10.30pm Wednesday 10th August 2022

**In Attendance:**

Paul Cummings (PC) Chairperson

Martin Bradley (MB) HSC Pension Service

Phil McCusker (PM) DoH – Pension Policy

Noeleen McCreanor (NMCC) South Eastern HSC Trust

Kevin McAdam (KMcA) Unite

Terry Thomas (TT) NIPSA

Mary Caldwell (MC) RCM

Geraldine McAleer (GMcA) Western HSC Trust

Dessie Lowry (DL) RCN

Greg Doherty(GD) HSC Pension Service

Maryna Chambers (MCH) Northern HSC Trust

Catherine Shannon (CS) Belfast Trust

Karen Murray (KM) RCM

John Coyle (JC) HSC Pension Service

**Apologies:**

Andrea Henderson (AH) HSCB

Heather Dougherty (HD) HSC Pension Service

Jenna Allen (JA) DOH-Pension Policy

1. **Welcome / Introductions / Apologies**

The **Chair** welcomed those attending, and asked if the meeting was quorate, and enquired as to the numbers attending to make the meeting quorate. **DL** confirmed that it was eight board members. **Chair** confirmed meeting was quorate. **Chair** acknowledged the apologies received.

**Chair** welcomed everyone to his first meeting as Chair and stated that every chair has their different styles and asked the board members to feel free to offer any assistance.

1. **Conflict of Interest**

**Chair** confirmed that GD had circulated the COI forms and asked for all board members to return.

**Chair** asked if there were any obvious conflicts? No response.

1. **Minutes of Previous Meeting on 27th April 2022**

Board Members agreed the minutes of the previous meeting held on 27th April 2022.

1. **Action Points from Previous Meeting**

**Chair** asked **MB** to provide an update on the two action points that were not updated as completed. Action point 4 and 11.

**MB** provided an update on Action point 4 for the data issues that the HSC Pension Service had. Stated that a lot of work had been completed on the data. The testing of the new Change Request had been delayed but now had been completed and that it contained 27 items. The change request has been implemented and will have a huge impact on the data.

The Annual Benefit Statement and Annual Allowance are also data cleanse exercises as members get in contact if any data is incorrect on either of these.

Altair insights has now been introduced and this will be a tool used to help reporting on any data issues. **MB** stated that that there was a lot of work ongoing with payroll to get any missing data.

For Action point 11 MB stated that the bench marking will not be completed this year due to not enough schemes being included. He enquired if there was another bench marking club that could be joined.

Chair asked if any other questions on the Action points? No response.

**Action Point 1:** **Chair** asked **GD** to combine agenda items 5 and 6 together for the next meeting.

**5+ 6. Scheme Managers Report and KPI’s**

**MD** covered the Scheme Mangers report and commented on the surge of retirements in April of this year. Increase in the number of nurses retiring and this is because a lot of nurses put off retiring during the pandemic and now as that is winding down the applications have increased.

**DL** asked if members retired and then returned to work and would MB have any numbers for that?

**MB** replied that no numbers would be available and that the employers would have that information and anecdotally he knows that some members are retiring and returning to work via agency.

**JC** provided an update on the Annual Allowance (AA) and impact of the rate of inflation may potentially have on members**. MB** stated that HSC Pension Service is asking for no revaluation for the AA for this year and as this will have a detrimental impact on scheme members. HSC Pension Service is working with the department and HMRC but no decision has been made at present.

**MB** discussed the pension contributions structure with the yield set at 9.8% and the proposed change that contributions will now be based on actual pay rather than the whole time equivalent. Stated that HSP are working with payroll on this for example on items such as part-time employments pay will need to be aggregated to apply the correct contribution rate.

It has been provisionally agreed to use the modelling that is used in NHS England & Wales but this produces a shortfall of 0.2% or about £5,000,000. As if there was a break in parity with the contributions this could also lead to a break in the pay structure.

The department has not yet agreed that they would meet the shortfall but indicated that they would.

The changes are provisionally slated to be implemented from the 01/11/2022 any possible pay awards prior to October will be affected by this.

**PM** stated Siobhan McKelvey had received assurances that SAB cannot publicise yet. If the department do not subsidise then potentially the members may need to pay the additional 0.2%. **PM** also stated that they are waiting on the department for further confirmation.

**Chair** asked the board to take on board the confidentiality of the information that **MB** had provided.

**NMMC** had a question about the ill health process and the KPI of 99% not being was she was experiencing in reality. **MB** stated that the measuring was on the timescales that the HSC Pension Service had control off**. NMMC** commented that the system does not seem to be working. **MB** acknowledged that there had been issues with Occupational Health not meeting SLA’s. Occupational have replied to concerns raised and are working to address issues and recruitment.

**Chair** stated that the Board may write to occupation health if this does not improve in the next quarter.

**Chair** also asked for the KPI’s was it possible to get actual numbers for the statistics? **MB** said he look into if it is possible.

**Chair** commented that if the board members are happy then the KPI report will becomes part of the scheme managers report and **MB** will report on percentage of cases completed.

**KMCA** had a question on why part-time contributions could be a detriment and how they could be negatively impacted?

**MB** stated that as CARE pension band was on actual pay and some members were paying higher contributions for the same pension benefits and were being negatively impacted and from 01/04/2022 all scheme members were in the 2015 CARE scheme.

**KMCA** asked if the judicial review in England will have any impact on the McCloud remedy in Northern Ireland?

**MB** stated that the remedy still needs to be implemented but who pays for it has still yet to be decided**.**

**Action Point 2**: MB to add the KPI’s to the scheme managers’ report.

**Action Point 3:** MB to see if it is possible to give actual numbers for the KPI’s

1. **Update on policies and procedures**

**PM** stated that **MB** had covered most of the update. He commented that the regulations are in place and will be ready for April/May of next year. There was still work to complete with the HSC Pension Service on deferred choice when these came in**.**

The Brewster, Goodwin and Walker cases with same sex partners and do away with the forms and also the extension of the Abatement regulation to next year have been the focus as well recently.

1. **Compliance Plan**

**GD** delivered a presentation on the compliance plan to HSC Board members.

**DL** asked who bears the cost for Altair (HSC pension software)?

**MB** stated that the HSC did via funding for issues such as upgrades etc. Any special requirements like Pension Reform of McCloud were separate.

**DL** asked if there was a system within the employer’s software to identify data errors.

**MB** stated that HSC Pension Service was looking at i-connect (interface software) that would identify errors in the data that the employers were sending and that there were software tools available to try and resolve the data issues.

1. **Scheme Accounts and 14. 2021/2022 HSCPB Draft Annual Report**

**Chair** asked **MB** to take the agenda items 9 and 14 together.

**MB** stated that these papers were for information purposes only as the scheme accounts were the responsibility of the department.

**MB** stated that GAD do calculations for the scheme liabilities and there was no issue on the accounts as health was a net contributor. For the 2020 Valuation GAD had identified some gaps in the data and had queries on some missing salary figures.

Work as being completed on getting GAD the data. **MB** commented that GAD was content to use the 2016 data as there was no significant changes in allowance for growth and CPI etc. The NI Office had qualified the accounts over the degree of uncertainty with the less than 1% gap in the data. **MB** stated that this was a difference of opinion between GAD and the NI office.

**Chair** asked if there was a plan to get the missing data?

**MB** stated that there was and that the gaps in the data will be addressed.

Chair commented that the data quality was a responsibility of the Pension Board and that they should be kept up to date at the next meeting.

Chair stated that the accounts were not the responsibility of the Pension Board and that they were difficult to explain to non-accountants. These reports were for information purposes and that he had no intention of going through the accounts in any detail.

1. **Pension Board Risk Register**

**Chair** stated that he was confused as to what the pension register was for and what the need for it was.

**Chair** struggled with the concept of a risk register at the level it is at and was surprised by the first three entries.

**Chair** was happy to take the views of the board members.

**MB** stated that the HSC Pension Service operational risk register could be included in the scheme managers’ report.

**Chair** stated that it was important to assist the scheme manager.

**DL** endorsed what the chair stated and that that board was there to assist or give a push on an operational matter. Possible to stand this down and he was happy to propose this.

**NMMC** stated that the board should keep things simple.

**Chair** stated that this should be kept as item on the agenda and that MB would share the operation risk register and highlight the issues not moving forward to the board.

**Action Point 4: MB** to share the operation risk register with the board.

1. **Training**

**Chair** commented on the importance of the role of the board and that it was much better for the board members to do the training on their own time and to complete the returns and send to **GD.**

1. **Progress Report on Business Plan 2021/22 & 13. Draft Business Plan 2022/23**

**Chair** asked for any comments?Some of the items included **Chair** would expect input from **MB** as the scheme manager.

**MB** raised the concern that there were some inaccuracies in the plan.

**Chair** of the opinion thatthat business plan should be the HSC Business plan that the board would endorse. **Chair** did not see it as part of his remit to write a business plan.

Chair asked for any comment? No response.

**15. Review of the HSC Pension Board**

**Chair** thought that was now a good time to have a review of how the board operated and that each chair will have their own style.

Chair noted that attendance had improved with meetings being held remotely on Zoom/Teams.

**Chair** stated that he would appreciate any views of the board members e.g. was more education required.

Chair offered his thanks to MC for her participation on the board and MB also offered his thank personally and on behalf of the HSC Pension Service as well.

NMCC acknowledged the contribution to the board of AH and enquired if another financial representative be required for balance.

Chair asked if there was any comment on duration and content of training?

DL stated that on SAB there were 10-15 minutes training and they were fortunate that GAD was able to complete some of this.

Noted that Roberta Magee had retired and would require to be removed from the mailing list.

MC stated that a replacement for Roberta will be addressed by the union.

Chair asked for any more suggestion and invited the board members to email if they wished.

**16. AOB**

The Chair encouraged all board members to complete the COI and training returns before the next meeting.

1. **Date of Future Meetings**

**Wednesday 9th November 2022 2:30 pm**

**Wednesday 1st February 2023 2.30 pm**

**Wednesday 19th April 2023 2.30 pm**

**Action points from meeting 10th August 2022**

**Action Point 1**: Chair asked GD to combine agenda items 5 and 6 together for the next meeting.

**Action Point 2:** MB to add the KPI’s to the scheme managers’ report.

**Action Point 3:** MB to see if it is possible to give actual numbers for the KPI’s

**Action Point 4: MB** to share the operation risk register with the board.