

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on 8 November 2013 at 09.00 in the PSPA Meeting Room, Goldie House, Douglas.

Present: PSPA

Mr J Carter (Chairman)
Mr A Cannan, MHK (Vice Chairman)
Mr E Holmes
Mr A Shipley
Mr J R Turner, MLC

In Attendance: Mr I T Murray

Mr I W C Burnett

Apologies:

Minute No Minute

67/13 Minutes

The minutes of the meeting of 4 October were approved and signed.

Conflicts of Interest

Mr Shipley declared a Conflict of Interest in relation to any items concerning the Teachers Pension Scheme and the proposed Compensation Scheme 2013.

68/13 Matters Arising:

PSPA Auditors – Audit Plan

The Board noted that work was progressing on the preparation of the Annual Report and Accounts for the Schemes for which the PSPA has responsibility. The Board noted that the final Draft accounts would be submitted to the December meeting of the Board for its consideration and sign off. The Board noted that PWC would attend the meeting.

It was clarified that the figures may be different to those published in the Government Accounts, as those figures were compiled on a cash flow basis and the PSPA Report and Accounts were compiled on an accruals basis. Being mindful of the difference between the sets of accounts, the Board noted that the Executive was working closely with Treasury in order to provide Treasury Officials with a better understanding of the income and expenditure levels across public sector schemes.

It was confirmed that having been signed the Audited Report and Accounts would be laid before the January sitting of Tynwald subject to the timetable for the submission of Tynwald business.

The Board raised its concern that the release of the audited report and accounts may lead to additional interest from a number of interested parties including Politicians, and may inform some of the discussions which may take place in the proposed Pensions Working Group. The Board agreed that a presentation should be delivered to Politicians ahead of the sitting of Tynwald at which the Report and Accounts are due to be laid.

Meeting with the Trade Unions

The Board noted that the meeting with Trade Unions had been arranged for Monday 11 November 2013. After due consideration it was agreed that as the meeting was at "Officer" level there was not a need for a member of the Board to attend. It was noted that Mr Shipley and Mr Holmes would be in attendance, but in their capacity as Union representatives as opposed to members of the PSPA Board.

CoMin paper on "Fair Deal"

The Board noted that the Office of Human Resources was seeking legal advice with regard to the position of Pensions within any "Fair Deal" arrangements that may be agreed in the future.

Police Pension Scheme

The Board noted that a meeting had taken place between the Executive of the PSPA and representatives of the Police Federation, the Chief Constable and a representative of the Department of Home Affairs. The purpose of the meeting had been to discuss the position of the Isle of Man Police Pension Scheme and proposed changes being progressed in the UK to the Police Pension Scheme.

The Board noted that in the meeting the Chief Constable had outlined the work that the Department and the Constabulary were progressing to update Police Regulations and that, in the view of the Chief Constable and the Police Federation, whilst work on Pensions Issues could progress alongside the updating work being carried out by the Department, any future changes to Pension Regulations would need to await the completion of the work being carried out by the Department.

The Board noted that the Federation had expressed a wish to continue the good working relationship it had developed with the PSPA and that a request had been made to the Department as to whether a member of the PSPA Executive could sit, in an observatory capacity, on the Police/Department of Home Affairs Negotiating Body. This request was to be considered at the next meeting of this body.

The Board noted that the Executive planned to review the status of the Police Regulations and Pension Regulations in relation to certain views that had been expressed during the meeting regarding the position of the Police Regulations in relation to the Public Sector Pensions Act 2011 and the Police Pension Regulations.

Minute 61/13 – ██████████, offer of a Protected Section of GUS

The Board noted that confirmation had been received from the Department of Health regarding the wording within the Terms and Conditions for newly appointed Doctors in relation to Pension Provision.

In addition the Board noted that to date no further request had been made by the Department regarding Doctors who had been appointed after 1 April 2012 but offered entry to a protected section of the Unified Scheme.

PSPA report to October Tynwald

The Board noted that the report had been submitted to Tynwald, but to date no follow up queries had been raised.

69/13

Risk register review

The Risk Register was reviewed and the changes that had been made since the October meeting of the Board were noted.

With regard to risk number 32 regarding Pensions Expenditure, the Board noted the work that had been carried shared with Treasury and requested that the

forecast that had been prepared for Treasury was circulated to all Board members.

70/13 Public Sector Compensation Scheme 2013

The Board considered a memorandum dated 28 October 2013 from the Chief Executive with regard to the consultation feedback on the Public Sector Compensation Scheme 2013, the subsequent feedback from the Joint Working Group meeting of 21 October 2013 and the final design of the Compensation Scheme and resulting timescales.

The Board noted that the Trade Unions involved in the negotiations would be balloting its members during December and, subject to the results of the Ballot and the views of the Council of Ministers, the aim was to have the new Compensation provisions in place by 1 January 2014.

After due consideration the Board agreed :

- The draft consultation Response Document;
- The Revised Scheme incorporating the concessions agreed by the Employers' Side of the Committee as outlined in the 'Final Offer' letter dated 25 October 2013; ; and
- To seek COMIN approval to the final provisions of the Scheme and whether further changes should be considered if member ballots reject the scheme.

71/13 Quarterly Performance Report – Quarter 2, 2013/14

The Board noted the content of the Quarterly Performance Report for the second quarter of 2013/14, ended 30 September 2013.

72/13 Public Sector Pensions Working Group

The Board received a verbal update regard to the Chief Minister's speech to October 2013 sitting of Tynwald advising that he will reconstitute the Public Sector Pensions Working Group to review the sustainability of the Government Unified Scheme and will organise a session for Tynwald Members to be briefed.

The Board raised its concern at the reconstitution of the Working Group, given that Under the Public Sector Pensions Act 2011 the responsibility for advising the Council of Ministers on Public Sector Pensions Policy lay with the PSPA and not an external body.

The Board additionally expressed its concern over a letter which had been issued by the Chief Minister to Trade Unions, which it is understood aimed to allay any concerns Trade Unions may have. However, the Board, having received feedback from a number of sources, considered that it had had the opposite effect.

The Executive considered that the remit of the proposed Working Group would be wider than Public Sector Pensions, in that it would incorporate State and Private Sector Provision.

The Board considered that the Working Group would need to be clear as to what its remit would be, needed to have all of the relevant information at its disposal in order to reach meaningful conclusions and needed to ensure that the PSPA is fully engaged in its establishment and ongoing work.

The Board agreed that a letter should be forwarded to the Chief Secretary's Office highlighting the Statutory Responsibility for policy advice held by the PSPA and to seek clarification on the membership and remit of the Working Group and as to how it would be established.

Any Other Business

Office Closure

The Board considered a request to close the PSPA's Office for half a day on 20 December so that all PSPA staff could attend an annual lunch.

The Board noted the amount of hard work that had been progressed by the Staff of the PSPA over the last 12 months, approved the request for the Office to be closed on the afternoon of 20 December 2013.

The meeting closed at 11:15