

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on 10 December 2018 in the PSPA Meeting Room, Prospect House, Douglas

Present: **PSPA**
Mr J B Carter, (Chairman)
Hon C C Thomas, MHK (Vice Chairman)
Mrs J Poole-Wilson MLC
Mrs D Halsall
Mr I Wright

In Attendance: Mr I T Murray
Mr I W C Burnett, (Secretary)
Ms K C Brondon

Apologies:

Minute No. Minute

71/18 Conflicts of Interest

There were no Conflicts of Interest declared in addition to those previously recorded.

72/18 Minutes

The minutes of the meetings of 12 November 2018 were approved and signed by the Chairman.

Matters Arising

58/18 - Missing and Inaccurate Scheme Member, Pensionable Service and Pay Data. The Board received and noted a verbal update from the Executive outlining the work that was being progressed with colleagues in the Cabinet Office.

62/18 - Contracting Out – The Board requested that the Executive contact Treasury to follow up what further information/communication it planned to issue.

73/18 Risk Register Review

The Board considered and noted the contents of the Risk Register.

74/18 Quarterly Performance Report – Quarter 2, 2018/19

The Board considered and noted the Quarterly Performance Report for the second quarter of 2018/19, ending September 2018.

The Board noted, in relation to the Declaration of Entitlement exercise, that 93% of those contacted had responded. The Board noted that in relation to the previous year's exercise 20 pensions had ceased.

The Board noted that the average retirement age remained at between 59-60 years of age.

The Board noted the Executive's view that the key risks to service delivery were the availability and accuracy of current data received from employing authorities and the accuracy of historical data. The Executive advised that it was working closely with colleagues across Government in order to address current data issues and was embarking on a programme of reviewing current member data.

The Board noted that there had been a number of recent Ombudsman Cases involving Isle of Man Government Scheme Members and that a number of them related to Historical or inaccurate data. The Executive advised that it was seeking to meet the administrative and governance standards set by the UK Pensions Regulator in order to mitigate some of the risks which had been identified in relation to Data and administration of public sector pensions.

75/18 Pensions Reform – Judicial Scheme

The Board considered a memorandum from the Chief Executive dated 31 October 2018 concerning the proposed reform of the Judicial Pension Scheme 2004 (“the Scheme”) and Government Unified Scheme (“GUS”) in respect of members of the judiciary.

The Board noted that at present there remained a number of outstanding issues in relation to the Judicial Scheme in the UK, upon which the Isle of Man Scheme is based, and that not all members of the Scheme had responded to the proposals.

After due consideration the Board considered that a view should be sought from the Council of Ministers on next steps.

76/18 Isle of Man Government Unified Scheme 2011 (GUS) – cost sharing

The Board considered a memorandum from the dated 1 November 2018 from the Chief Executive concerning proposed Cost Sharing legislation and to seek agreement to the Next Steps.

The Board noted the feedback which had been received from Treasury, in particular regarding their view that it did not support changing from the current methodology set out in the Unified Scheme of a 75/25% split of costs.

The Board considered as to whether it should continue with its proposed cost cap proposals, remain with the current 75/35% split set out in the Unified Scheme or seek to find a ‘hybrid’ solution.

The Board determined that before considering the matter further the views of the members of Unions Technical Advisory Group should be sought.

77/18 Review and Consideration of Future Challenges for the Public Sector Pensions Authority

The Board considered a memorandum from the Chief Executive dated 3 December 2018 and, as agreed at the October 2018 Board meeting, further considered the report entitled “Review and Consideration of Future Challenges for the Public Sector Pensions Authority”.

The Board discussed a number of aspects of the report, noting that this had been sometime in development and that some elements of the report were already in progress.

After due consideration the Board approved the report and in relation to staffing and future structure approved that:

- (i) the recruitment and retention Policy, being based upon similar policies elsewhere within Government is finalised and that those that meet the criteria are assessed against it accordingly;

- (ii) the Deputy Chief Executive Post is regarded to a grade similar to OS7 under the new pay and grading structure for Public Servants;
- (iii) The revised structure, which reduces the Senior Management Team by one in the future, is progressed with a view that the revised structure comes into being once one of the Senior Management positions is either vacated or made redundant. This would be once the current work on pensions reform is complete.
- (iv) The proposed structure is costed to determine whether a business case needs to be prepared for submission to Treasury seeking additional funding either in the short term or for the foreseeable future;
- (v) In relation to the proposed structure, it should be determined how the various posts will be filled given that many of the staff may not have suitable qualifications or skills. Consideration should be given to whether the PSPA:
 - Embarks on a formal structured development programme to provide current staff with the skills to fulfil these rolls; or
 - Seeks to redeploy or offer voluntary departure/redundancy terms to current staff with a view to recruiting specialist staff.

Having considered the report the Board requested that the Executive progress with the implementation of the recommendations.

Date of Next Meeting

The next meeting will be held on Monday 11 February 2019 commencing at 10.30.

There being no other business the meeting closed at 12:40.

_____ **Date**