

**Minutes of the Pensions Panel (Part I)
24 January 2011**

Present: Mr. Michael Brown (Chairman), Mr. Mick Hodgson, Mr. Andrew Smith, Mr. Steve Waight, Mr. Clem Stevens, Mr. Robert Dunn, Mr. Gordon Marples, Mr. Alan Price and Mrs. Chris Earwaker.

In attendance: Caroline Burton (as noted), Richard Hornby, Rachel Wood and Lucy Ducker

Apologies: Mr. James Doyle

Declaration of interests

863. Members and officers were invited to make any declaration of personal or prejudicial interests that they may have in relation to items on the agenda and are reminded to make any declarations at any stage during the meeting if it becomes apparent that this may be required when a particular item or issue is considered.

864. It is recorded in the register of interests that Mr. Stevens' nephew, Peter Hadden, is a partner in Baillie Gifford, Mr. Hodgson is a trustee of the Collyers Foundation, Mr Brown's son is employed by Deloitte, Mr. Smith is a deferred pensioner of Mercer and Mr. Hornby is a Co-Opted Governor for the University of Chichester.

865. Mr. Hodgson requested that his declaration was amended to a Governor for Collyers 6th Form College, rather than Trustee of the Collyers Foundation.

Part I of the Minutes of the Pensions Panel held on 23 October 2010 and Matters Arising

866. The minutes were agreed.

867. The Chairman welcomed Cllr. Gordon Marples (Mid-Sussex District Council) to the Pensions Panel. Mr Maples has replaced Mr. Lindsay to represent the District and Borough Councils.

868. The Chairman requested that the minutes noted the Panel's gratitude to Mr. James Doyle for his contribution to Panel business to date. Mr. Doyle has stepped down from the Liberal Democrats. A replacement will be agreed by County Council on 11 February 2011.

Caroline Burton joined the meeting.

Submission to Stage 2 of the Hutton Review of Public Sector Pensions

869. The County Council responded to Stage 2 of the Hutton Review of Public Sector Pensions on 17 December 2010. The response was circulated for information and comments.
870. Whilst the Council believes that a defined benefit scheme is best placed to deliver the security of the pensions promise, the increasing costs and issues around affordability mean that the current scheme needs to be modernised and costs/risks associated with the scheme should be more equally shared between employee and employer.
871. As the employee representative Mrs. Earwaker advised that she endorses the national Unison rather than the County Council's response.
872. The response noted that in contrast to the current 3:1 employer:employee contribution split, a fairer, and more appropriate, ratio would be no more than 2:1. It was noted that in addition to this, the Council would seek an overall reduction to the cost of employer contributions.
873. With regard to the need for an earlier retirement age for professions requiring physical fitness levels beyond that normally expected at the age of 65 (such as emergency services) the Executive Director indicated that a career average scheme may go some way to address the acceptability of a change of job or downscaling as individuals would not be as dependent on salary at their retirement date as is the case with a final salary scheme. In addition the response noted that if early retirement ages are applied, the additional cost of paying pension and other benefits should be reflected in employee contribution levels.
874. With regard to collaborative procurement, the Executive Director clarified that some modest cost savings could be achieved by working collaboratively with other Authorities to procure services at more competitive rates. Whilst this may be small savings at individual contract level, the total impact should make this a worthwhile consideration.

Knowledge and Skills Framework

875. The Chartered Institute of Public Finance and Accounting (CIPFA) has developed a technical knowledge and skills framework which is intended as a tool for pension funds to determine whether they have the right skill mix to meet their scheme financial management needs and an assessment tool for individuals to measure their progress and plan their development. This is supported by central Government.

876. The Fund must demonstrate that it has adopted the knowledge and skills framework as a basis for the training and development of Members and officers, or outline what alternative basis it has selected to determine, develop and measure their skills, by March 2011. It was therefore proposed that the Panel undertake to complete the training needs assessment and participate in specific training identified in line with the timetable set out in the report.
877. Concern was raised about the time spent on compliance versus the time spent on Panel business and it was suggested that CIPFA seem to be confused on the remit of Panel members.
878. It was agreed that whilst the Panel would adopt the Knowledge and Skills framework, the resource impact would be closely monitored to guard against the implementation becoming too onerous.

Part II Matters

879. The Chairman asked members to indicate at this stage if they wished the meeting to consider bringing forward into Part 1 the items on Part II of the agenda.
880. Resolved – That under Section 100(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act (paragraph 3: financial or business affairs of any particular person (including the authority holding the information)) and that, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

Chairman

Date