



THE SOCIETY OF PENSION
PROFESSIONALS

making pensions work

Circular 2915

**DRAFT MINUTES OF A MEETING OF COUNCIL
HELD ON WEDNESDAY, 24TH NOVEMBER 2021 AT 1430
AS A VIRTUAL MEETING**

Present (online)	Daniel	Barlow	Law Debenture Pension Trustees
	Mark	Bondi	Capita Pension Solutions Limited
	Janet	Brown	Sacker & Partners LLP
	Edward	Brown	Hogan Lovells International LLP
	Chris	Burke	Pinsent Masons LLP
	Bob	Campion	Charles Stanley
	Peter	Cottingham	M&G
	Lindsay	Davies	Hymans Robertson LLP
	Fred	Emden	Society Pension Professionals
	Jane	Evans	Ernst & Young LLP
	Charlotte	Feld	Travers Smith LLP
	Mark	Foster	ABRDN PLC
	Sanjay	Gupta	Willis Towers Watson
	Sam	Hall	Mercer Limited
	Steve	Hitchiner	Barnett Waddingham LLP
	Barry	Mack	Muse Advisory
	Matthew	Masters	Spence and Partners Limited
	Donna	Matteucci	LCP
	Mark	Pemberthy	Buck
	James	Riley	Isio
	(President)		
	Clifford	Sims	Squire Patton Boggs (UK) LLP
	Sophia	Singleton	XPS Pensions Group
Arron	Slocombe	Baker McKenzie LLP	
Grant	Suckling	Ross Trustees Services Ltd	
Thomas	Yorath	Aon	
In attendance	David	James	Travers smith
	Paul	McGlone	Aon
	Carla	Smidt	The Society of Pension Professionals
	Ella	Thackray	Baker McKenzie LLP
	Martin	Willis	Barnett Waddingham LLP

3138. APOLOGIES AND WELCOME

Apologies were received as follows:-

Apologies

Deborah Wilson
Hugh Nolan
Daniel Gerring

Substitute

Matthew Masters
Charlotte Feld

[The Society of Pension Professionals](http://www.the-spp.co.uk)

Kemp House, 152 – 160 City Road, London EC1V 2NX T: 020 7353 1688

E: info@the-spp.co.uk www.the-spp.co.uk

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Thanks to Ella Thackray, Baker McKenzie LLP, for taking the minutes.

3139. MINUTES OF THE COUNCIL MEETING HELD ON 22nd SEPTEMBER 2021 (CIRCULAR 2882)

The minutes were agreed.

3140. MATTERS ARISING

1) Correspondence with Pete Searle

At the last meeting it was agreed that Council would communicate with Mr Searle on legislative barriers to Consolidation of pension pots, a list of the most challenging examples of ERI in DB in respect of Dashboards and previous communications to DWP on auto-enrolment. A number of committees assisted in formulating these responses. Council agreed to allow 6 weeks before potentially following this up.

3141. NOMINATIONS FOR THE SPP PRESIDENCY

In confidence, Steve Hitchiner was announced as the sole nominee for President. The formal election will take place at the next Council meeting on 26 January 2022, following which a press announcement will be made. Steve Hitchiner expressed his thanks to James Riley and the former Presidents for their leadership of the Society and his enthusiasm to take up the role of President subject to completion of the election.

3142. CEO REPORT

Membership survey:

The survey has gone out to Council, requesting members' views on industry priorities. The Society hopes for a very high response rate from Council to support the development of the Society's priority actions.

Staffing:

It was announced that the fixed term Events Manager position has been filled, and that a replacement has been found for role of Events & Membership Officer. The aim is to increase the events portfolio throughout the year and begin to drive topic generation internally in addition to content promotion from the Member Services Committee. This support is intended also to free up some of the Chief Executive's time for additional membership-facing work.

Future Leaders Group:

Council noted the growing mailing list of people who have worked at the member firms for 5 or fewer years. This will be an ongoing process.

A summary of the Technical Committee meeting minutes was circulated to the mailing list this week, as this ranked high as an area of interest when polling. There is also an open invitation to observe Technical Committee meetings. Further, there is an initiative to produce explanatory guidance notes (the first related to the GMP equalisation event) to be read alongside recordings of some of the more complex core Society events recordings, in order to make them more accessible to those who are relatively new to the sector. A sub-group is considering potential events, with the first likely to be held in March 2022, most likely as a hybrid event in order to assist with networking.

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It was confirmed that there is no limit on mailing list numbers, and there is still some space in the steering group. Fred Emden agreed to circulate to Barry Mack the communication drafted for juniors.

Action: Fred Emden

It was suggested that SPP should consider whether to widen the benefits of this activity with non-Member Firms. Fred Emden and James Riley to discuss.

Action: James Riley and Fred Emden

3143. INTERNAL SPP STRATEGY

Update on 2020/21 strategy

It was noted that two papers have been circulated. The first is a report to Council tracking progress against 2020/2021 Society internal objectives using a red/amber/green rating. When progress was last reported, there were reasonable number of objectives still to complete, whereas as today the Society has achieved the majority of its stated internal aims over the last 18 months. Hence whilst there are several useful elements to carry forwards, this internal strategy needs a refresh.

There was a discussion regarding progress to date. Regional development was noted and how the Covid 19 pandemic-triggered shift to online events paused the question of whether to hold more in person regional events (though, there have been several well received Scottish online events). Relationships have been maintained with the SPP Northeast and Northwest Committees and the future model will be developed once SPP is holding hybrid events – with the initial priority to be delivering London based hybrid sessions. It may be that some networking opportunities can be arranged regionally, for events that are delivered online for UK-wide access..

It was confirmed that the 2020/21 strategy document originally looked much like the second, draft 2022 strategy document, but it was amended in preparing to feedback to Council to reflect activities undertaken and to mark things that still need to be done. The intention is that a similar forward-looking document will evolve as progress reporting begins to Council.

Draft 2022 strategy

It was noted that the goals have been condensed and refocused but that the core areas remain similar to those listed 18 months ago.

There was discussion regarding how best the Society might in future be the lead industry body respondent to government on key industry developments, such as with Dashboard now. Council noted the need to decide which priority industry areas to focus on.

There was broad support for amending the 2022 strategy to record explicitly the Society's networking opportunities as a core objective and benefit for members, whilst maintaining as paramount an inclusive range of events that can be continue to be accessed remotely indefinitely, that have proven to be very successful since the pandemic started.

Action: Fred Emden

Council discussed the fourth action ("Promote SPP's Industry Priorities and strengthen relationships with policy makers/regulators, to positively impact the pensions industry and savers"), noting that that government priorities do not align fully with SPP's. Whilst the Society

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is not a lobbying organisation, it was agreed that it remains important to use the Society's influence to continue to promote better regulation and to help lead and inform industry debate.

3144. FINANCE – 2021 FORECAST OUTTURN AND 2022 BUDGET FOR APPROVAL

Attention was drawn to the finance pack, containing the 2021 forecast and proposed budget for 2022, both of which have been discussed with and scrutinised by the Executive Committee and Honorary Treasurer.

It was noted that a surplus of over £100K may be achieved this year. Council agreed to earmark £30K of this surplus to 2022 website refresh. Beyond that, the anticipated surplus will allow Council to make additional investments in 2022 or later should they wish to, beyond what is currently budgeted.

There was discussion and approval of limiting certain inflationary submissions increases for one year. Staff salary increases were expected to be the primary contributor of 2023 inflationary increases in due course.

A £20K budget for an events management and marketing system was agreed, as a first phase rather than a full CRM.

The annual social event for members was agreed as one that SPP should subsidise as far as possible. A £20K budget for this was agreed. Should a social event be organised for regional areas, this could be met through the surplus, but this would require further consideration from Council.

The 2022 budget was approved.

3145. PROPOSED CHANGE TO SPP ARTICLES AND EGM, JANUARY 2022

It was explained that the number of elected Council members allowed by the articles has now been reached. Exceeding this number would under the current articles require a full vote by all membership for every place on Council. It was recommended that the maximum number of elected members as permitted by the articles be raised from 23 to 30 via EGM in January, allowing room for growth if the level of interest at the next AGM is the same as at the last. Council considered this number to be manageable in the round, whilst recognising it is vital to avoid Council's size becoming unwieldy. It was therefore also recommended that if this were to become a concern, Council could explore proposing a change in the governance structure, for example to separate out the policy and strategic leadership and industry role of the wider Council from a narrower role for a smaller core group connected with the directors' stewardship of the internal operations and governance of the Society.

It was noted that the other proposed changes to the articles involved simply clarifying and tidying up existing practices.

The proposed changes were approved.

Edward Brown agreed to review the draft articles ahead of the EGM at the request of the Chief Executive as required in preparation for the EGM.

Action: Fred Emden and Edward Brown

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3146. TECHNICAL COMMITTEE SUMMARY

In lieu of current practice that the minutes from each Technical Committee meeting be sent only to the members of that Committee, it was agreed that from now on, subject exceptionally to any required redactions for sensitivity or confidentiality, Committee minutes would be published on the Society's website and be accessible to all members.

3147. UPDATE FROM THE PRESIDENT

Due to timing, this matter will be managed by email.

3148. UPDATE ON PENSION SCHEME ACT

Charlotte Feld updated Council on Pension Schemes Act developments:

New Criminal Offences:

These came into force on 1 October 2021 and were not retrospective, borrowing language from the original contribution notice grounds. It was noted in particular: (i) important differences exist between the operation and effect of criminal offences and discretionary powers exercisable by TPR, (ii) the absence of a 6 year look-back period, (iii) that exposure to the offences is not restricted to either statutory employers or those associated or connected with them, (iv) the only safe harbour included in the legislation is the concept of reasonable excuse, and (v) TPR issued final guidance several days before these offences came into force, with useful practical examples.

Contribution notices

There are two new grounds, which also came in on 1 October 2021, with regulations explaining how they work and an accompanying code. TPR is unlikely to put out further guidance.

Update clearance guidance

The clearance guidance has also been updated to change the definition of type A events so that it no longer contains the concept of "relevant deficit". Clearance is not available for the offences, but if a clearance statement has been provided, the reasonable excuse defence seems likely to succeed.

Notifiable events

A new framework has been released for consultation with accompanying statements which were previously known as declarations of intent. The consultation has closed and the changes will likely come in on 1 April 2022. It was noted that the new £1 million fine for breaches already applies to the existing regime, and that the main practical implications of the proposed changes are that TPR and trustees will need to be engaged much earlier.

3149. DC COMMITTEE – POST-RETIREMENT/ DECUMULATION SCOPE

Martin Willis and David James provided an update on DC Committee activity and focus areas. It was noted that these issues have been discussed at length with the DC Committee members. There was a discussion about the crossover between pensions and areas such as long-term savings and consideration of the Society's role, and the consensus was that post-retirement and decumulation aspects of pensions regulation and practice remain fully within the ambit of the Society's role and influence. It was acknowledged that Society's members and the Society's activities have a tendency to focus more on trust-based practices but the Society's overlap into non-trust areas of pension post-retirement and decumulation remains appropriate, noting that

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lots of providers, consultants, investment professionals and those on the legal side are interested, even if much of the trust based scheme work tends to stop at the point of requirement.

Decumulation was acknowledged as extremely relevant, as DC arrangements support people into, not just up to the point of, retirement. It was agreed that it is good practice to continue considering these issues as part of the DC Committee's ambit, and to ensure the Society's positive influence and contribution to industry debate is maintained and grows, recognising that the line between pensions and long-term savings may continue to blur and that the Society will remain alive to adapting its focus.

3150. UPDATE ON DASHBOARD

Paul McGlone provided an update on activity of the JIF's Pensions Dashboard Working Group. Timings for consultation and implementation remain very uncertain and significant uncertainties and unanswered questions remain. An element of staging in of schemes from larger to smaller may be expected.

The final data requirements are still unclear, as are the calculations that will be required for estimated retirement income, and the timescales in which schemes would be expected to comply with requests to release data and how such timings might relate to other statutory disclosure requirements.

PASA data matching conventions are expected to be published soon, which should provide useful guidance. Ideally there would be a two-stage consultation process, but it seems likely there will be just one consultation going out in December 2021 or January 2022.

3151. ANY OTHER BUSINESS

It was agreed that the Member Services Survey discussion be postponed until January.

3152. DATE OF AND ARRANGEMENTS FOR NEXT MEETING

Council agreed that its next meeting would take place on 26th January 2022 at 1430. Council to be contacted regarding the appetite for this to be a hybrid meeting.

29 November 2021

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