

Policy Overview and Scrutiny Committee

Question from Members

A question was received from Cllr Brian Edmonds.

Please could the either the Chief Executive or appropriate officer provide transparency to the external auditor's concern for pension funding deficit and how much of the Leisure Centre COVID losses have been recovered from Waverley Borough Council's Business Interruption Insurance?

The pension fund deficit is of serious concern as long COVID infection could increase early retirement demand and prevent discretionary award.

Responses Received

Response from Peter Vickers

I have attached detailed information and commentary from our pension actuary Hyman Robertson. Please find this attached. I am not sure if the answer to your query "The pension fund deficit is of serious concern as long COVID infection could increase early retirement demand and prevent discretionary award" is satisfied by this information.

I don't fully follow the meaning of your query and if the answer is not on the detail, please could you set out your query clearly and I will pass onto Hymans for a response or if necessary, I will arrange a call between you to discuss directly. Please bear in mind this will incur cost for the Council.

If it helps, any early retirement explicitly due to long COVID will be an unfunded pension cost and this falls to the Council to fund early pension access on medical grounds.

Response from Graeme Clark

As Councillor Merryweather explained at the Council meeting in April, because the Council is not the operator of the leisure centres, the Council does not have business interruption insurance but the leisure operator does. However, as many businesses have found, their insurance is very unlikely to apply to the pandemic impact but this is still subject to final clarification from their broker, this could be a lengthy legal process for businesses. Waverley has recovered part of the loss from government Covid support funding. The net cost to Waverley has been published and is within the total amount approved by full Council in August 2020. In 2021/22 the leisure centre performance has recovered strongly against forecast and we are currently expecting to stay within the current year's approved budget.