

West Midlands Fire and Rescue Authority

Pension Board

**You are summoned to attend the meeting of Pension Board to be held on
Thursday, 07 September 2023 at 11:00**

at Digital via Teams,

for the purpose of transacting the following business:

Agenda – Public

- | | | |
|----|--|----------------|
| 1 | To receive apologies for absence (if any) | |
| 2 | Declarations of interests | |
| 3 | Minutes of the last Pension Board held on 04 July 2023 | 3 - 10 |
| 4 | Matters Arising
[Verbal Report] <ul style="list-style-type: none">• To discuss any matters arising from the minutes of the last meeting - all matters to be discussed to be raised in advance with the chair. | |
| 5 | WMFPS PB Action Plan - September 2023 <ul style="list-style-type: none">• To discuss progress on the Action Plan | 11 - 18 |
| 6 | WMFS Risk Register. Updated 31.08.2023 | 19 - 22 |
| 7 | Roles of the Scheme Manager, Pension Board and Pension Administration Manager
[Discussion Item] | |
| 8 | Recruitment - Active Scheme Member Representative
[Verbal Report] | |
| 9 | Pension Section Supporting Information 7th September 2023 | 23 - 26 |
| 10 | Firefighter Pensions SAB Pension Administration Strategy Draft for Approval | 27 - 40 |

- To approve a draft version for publication to the WMFS website
- 11 IDRP Update
[Verbal Report]
 - 12 Systems/Process Update
[Verbal Report]
 - 13 WMFPB Breach Reporting Policy - 2023 Update **41 - 56**
 - To finalise and agree changes to Reporting Breaches Procedure
 - 14 LGA/Bluelight Pensions Updates including FPS Bulletins
[Verbal Report]
 - To discuss and agree an approach to various email updates from the LGA/Bluelight Pensions Team sent to Board Members, the Scheme Manager and Administrators
 - 15 Firefighter Pension Scheme Annual Meeting 19 and 20 September
[Verbal Report]
 - To agree (if any) representative(s) to attend – 19 and 20 September 2023 – London
 - 16 Date of next meeting
 - 2 November 2023 at 11am

Distribution:

Alan Tranter (Chair of the Board), Julie Felton - Employer Representative, Adam Harper - Scheme Member Representative, Kal Shoker – Employer Representative, Kamla Devi-Ahir - Employer Representative, Paul Bennett - Scheme Member Representative.

Clerk Name:	Tom Embury
Clerk Telephone:	
Clerk Email:	tom.embury@wmfs.net

Agenda prepared by Kirsty Tuffin

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This agenda and supporting documents are also available electronically on the West Midlands Fire Service website at www.wmfs.net

Pensions Board

Item 3

04 July 2023 at 13:00 hrs

Conducted at headquarters and digitally via Microsoft Teams

Attendance:

Chair: Alan Tranter – Employee Representative

Employer Representatives:

Julie Felton

Kal Shoker

Kamla Devi-Ahir

Employee Representatives:

Adam Harper

Paul Bennett

Officers and advisors in attendance:

Wayne Brown – Chief Fire Officer (CFO), Richard Stanton - Assistant Chief Fire Officer, Kelly Harding – Head of People Support, Tom Embury – Deputy Clerk to the Authority, Paul Gwynn – Pensions and Payroll Manager, Kirsty Tuffin – Democratic Services Officer

Please note: Wayne Brown, CFO, left at 13:05pm.

1. To receive apologies for absence

There were no apologies received.

2. Declarations of Interests

No declarations of interest were submitted.

3. Minutes of the Previous Pension Board held on 29 March 2023

Resolved:

1. That the minutes of the Pension Board held on 29 March 2023 be approved as a correct record of proceedings.

4. Matters Arising

The CFO provided an introduction, following the changeover of Scheme Manager. He advised that he would be delegating the responsibility of the Scheme Manager to the Director of People,

currently ACFO Richard Stanton to represent him on Pensions Board. He looked forward to working with the Pension Board moving forward. The Chair of Pension Board welcomed the change, seeking to move forward, but also emphasised the desire of scheme member representatives to see the reintroduction of an independent Chair for the Board.

5. Risk Register

Julie Felton, Employer Representative, presented the Risk Register that outlined the key risk areas, categorised and scored against their likelihood to occur and the impact that would have.

The Board were advised that, as previously agreed, the Risk Register had been reviewed and updated on 30 May 2023, by Alan Tranter, Julie Felton and Paul Gwynn. Following the last Pension Board meeting, the register had been circulated for any comments prior to this. Thanks was given to Paul Bennett for his feedback.

The following changes were agreed:

Reference	Update
1	That Risk 1 (RR) Operational Disaster/Pension records be included in the PB Business Cont. Plan.
2	Remain as it was.
3a/b/c	That the Pensions Manager circulates the audit reports conducted by internal auditors, as per Risk 3.
4	Remain as it was.
5	Remain as it was.
6	That Risk 6 be reduced.
7	That Risk 7 be removed due to duplication.
8	That risk 8 remain as it is until the pension review had been concluded. That any risks referencing Mike Griffiths be updated.
9	That risk 9 remain the same subject to the description being updated on current progress.
11	Remain as it was.

14	Remain as it was.
17	That risk 17 be reworded to avoid confusion over the work remit.
18	That Adam Harper circulates guidance on contingent decisions to the DSO to circulate to the Board.
19	That Risk 19 be reduced to 2 likelihood.
20	Following Adam Harper's retirement announcement, It was agreed that Tom Embury discuss the best approach with him to create an expression of interest in his replacement. It was agreed that Adam remain on the Board until an appointment be made. Wording on the risk to be updated to reflect this.
21	Remain as it was.

Resolved:

1. That subject to the approved changes listed in the above table, the Risk Register be approved.

6. Pension Board – Action Plan

Tom Embury, Deputy Clerk, presented the Pension Board – Action Plan that outlined the actions arising from the Pension Regulator Supervisory Report 2020-2021 and actions arising from previous Pension Board meetings.

Tom Embury provided an overview/update on the action plan, as per agenda pack, as follows:

Reference	Update
A2	As per agenda item 12.
B2	Now RAG rated green.
E1	As per agenda item 10.
E2	Paul Gwynn to meet with team on 5 July 23. Update to be provided at September meeting of PB.
J-M	Aligned to the implementation of Altair. Data scores to be conducted in September/November 2023 and updates were required following the change of Scheme Manager.

P	To be updated.
Q1	A report to be put to the Scheme Manager – dates to be updated.
2	Following change of Scheme Manager, discussions would be had with them to determine comms.
4	As per agenda item 5.
6	Circulated to members.
8	Issues around Oracle had been dealt with.
13	Complete.
14	TOR approved by Audit and Risk Committee on 19 June 2023. Final versions had been published on CMIS.
15	Circulated.

Resolved:

1. That it be agreed that the Pension Board – Action Plan be approved.
2. That it be agreed that the independent review recommendations are not included on the action plan.

7. External Communication Plan

Tom Embury provided a verbal update on the External Communications Plan. He advised the Board that following the change in Scheme Manager, contact details were still being determined and would be included once confirmed. It was agreed that Paul Gwynn would circulate the contact details of his team to include on the Pension Board website.

Resolved:

1. That it be agreed that the verbal update on the External Communications Plan be noted.
2. That it be agreed that Paul Gwynn would circulate the contact details of his team to include on the Pension Board website.

8. Pensions Section Supporting Information

Paul Gwynn, Pensions and Payroll Manager, presented the Pensions Section Supporting Information Report, that outlined the basic demographics, activity levels/performance and the Internal Dispute Resolution Procedure.

The Board were advised of the following key figures:

1. Active firefighters = 1,388
2. 2015 scheme members = 1216
3. Non-members = 172
4. Pensioners = 2281
5. Dependants = 431

Following queries around the increase in non-members (opt-outs), it was agreed that Paul Gwynn would look into what data could be provided such as the age breakdown, to provide an update back to the Board.

The following key indicators were highlighted:

1. 36 estimate requests received during March - 31 May 2023. 14 of which were responded to during the above period. 3 cases were outside of the target response times.
2. Divorces had reduced since the last report to 1 case.
3. 11 transfers had been received during March - 31 May 2023.
4. No IDRPS had been received during the period March - 31 May 2023. 2 cases had been received following the report being published. Responses to both cases had been agreed and an update would be provided in the next report update to the Board.

The Board were advised that following the roll out of Altair Member Self-Service in May, this had generated a large number of queries to the pensions team. The Oracle trial had been successful, with a number of pensioners accessing payslips via the system. It was desired that all pensioners would be able to access payslips online via the system by May 2024, to ensure that any proposed changes to the system could be implemented effectively. The cost of this would need to be determined.

Resolved:

1. That it be agreed that the Pensions Section Supporting Information Report be noted.

2. That it be agreed that Paul Gwynn look into what data could be provided such as the age breakdown on out-opt members, to provide an update back to the Board.

9. Reporting Breaches Procedure

Resolved:

1. That it be agreed that Tom Embury update the Reporting Breaches Procedure with proposed changes and bring back to the next Pension Board for further comments and approval.

10. Draft Business Continuity Plan

Tom Embury, Deputy Clerk, presented the draft Business Continuity Plan that outlined the Pensions Board contingency plan should there be any disruption to the service that would hinder the Boards role.

He advised the Board that all proposed changes discussed as per agenda item 5 would be incorporated.

Resolved:

1. That it be agreed that the draft business continuity plan be approved, subject to the additions raised under agenda item 5 being incorporated.

11. Systems/Process Update

Paul Gwynn, Pensions and Payroll Manager, advised the Board that tests had now be conducted and the document was no longer required.

Resolved:

1. That it be agreed that the Systems/Process update be noted.

12. Draft Pension Board Training Plan

Tom Embury, Deputy Clerk to the Authority, presented the draft Pension Board Training plan that outlined the proposed plan for members of the Board to ensure they were fully equipped to undertake their role.

Tom advised the Board that a training needs assessment was conducted following the Boards training from the Local Government Association in March 2023, as per appendix A of the plan. This showed two key areas for training:

1. Understanding of the law relating to pensions, such as the Pensions Act 2013
2. TPR Code of Practice No. 14 Governance and Administration of Public Service Pension Schemes

It was highlighted that most members rated their knowledge as average for the areas raised in the analysis. The plan included an overview of policies from the Scheme Administrator for September 2023 meeting and the LGA training in March would remain. Members were asked to complete the Pension Regulator Pensions Education Portal (online course) by January 2024.

Resolved:

1. That it be agreed that the Draft Pension Board Training Plan be approved.

13. Annual Report of the Pensions Board 2022-2023

Tom Embury provided an overview of the Annual Report of the Pension Board that outlined the work conducted by the Board over the 2022-2023 municipal year. It was anticipated that following the change in Scheme Manager, the report would be included within the Scheme Manager's report to Fire Authority moving forward.

Resolved:

1. That it be agreed that the Annual Report of the Pension Board 2022-2023 be approved.

14. Pension Board Work Programme 2023-2024

Tom Embury provided an overview of the Pension Board Work Programme for 2023-2024 that outlined the proposed agenda items for upcoming meetings. Following today's meeting, the additions would be added where required.

Resolved:

1. That the Pension Board Work Programme for 2023-2024 be approved.

15. Update on Topical, Legal and Regulatory Issues (Verbal Report)

Following queries around contingent decisions, Paul Gwynn advised members that that it needed to be established on a case by case basis and had been subject to legislation in October 2023. An update would be given following the legislation publication in October 2023. It was agreed that Kirsty Tuffin, Democratic Services Officer, would work with the comms team to ensure that the LGA Bulletins are published on MESH, following Adam's retirement.

Resolved:

1. That it be agreed that Kirsty Tuffin, Democratic Services Officer, would work with the comms team to ensure that the LGA Bulletins are published on MESH, following Adams retirement.

16. Date of the next meeting

Resolved:

1. That it be agreed that the following dates be approved:
 - Thursday 7 September - 11am
 - Thursday 2 November - 11am
 - Thursday 11 January - 11am
 - Thursday 7 March - 11am
 - Thursday 2 May - 11am
 - Thursday 4 July - 11am

17. Any other business

Adam Harper emphasised the need to continue progression around pension tax bill issues. He advised that he would speak with James White to see who would be able to assist with colour watch engagement on pensions in the lead up to his retirement.

The Pension Board meeting ended at 15:14hrs.

WMFPS Pension Board – Action Plan

Completed	Recently Updated	Missed completion date
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Ref	Date	Subject	Action	Responsible	Completion date / Suggested timeframe	Status [Ongoing / Completed]
Actions arising from The Pensions Regulator Supervisory Report 2020/21 on the West Midlands Firefighter Pension Scheme						
A1	11/11	Skills and Training	Pension Board (PB) and Scheme Manager (SM) to undertake Training Needs Analysis to set a baseline for development of future training plans. Previous templates exist that can be used.	Pension Board Chair and Scheme Manager	Undertaken by March 2023	TNAs completed as of May 2023
A2	11/11	Pension Board Training and skills	PB to formalise their training plan, to be reviewed at least yearly, which will cover emerging themes, such as cyber security. This will be published on a joint Pension Board filing system/Teams site (see Recommendation D1) to ensure all PB member can review as required and bring forward suggestions for training and development.	Pension Board Chair	Implemented by July 2023	Agreed at July Pension Board
B1	11/11	Pension Board Succession	Clerk and PSS to develop a succession plan for both Scheme Member and Employer representatives, including undertaking a revision of role descriptions. This will include a proposal for hand-over between departing representatives and their replacements.	Clerk and PSS supported by Pension Board	Implemented by March 2023	Ongoing
B2	11/11	Pension Board Succession	PB and SM to review Terms of Reference with regards to representative tenures to ensure these are staggered and include a suitable handover period.	Pension Board Chair and Scheme Manager	Implemented by July 2023	Revised Terms of Reference drafted and agreed, staggered member replacement process agreed.

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C	11/11	Pension Board Composition	Review appointment/election communications for Pension Board representatives to ensure they encourage diversity amongst the Pension Board membership and encourage the widest possible number and range of candidates to apply. TPR Equality, Diversity and Inclusion guidance to be utilised.	PSS/Pension Board/Portfolio Team	Implemented by January 2023	Completed – Election communications sent
D1	11/11	Pension Board Information Sharing	Review communications to Pensions Board and Scheme manager and ensure updates are provided when required.	Portfolio and Pensions Administration Teams	Implemented by March 2023	Complete
D2	11/11	Pension Board Information Sharing	Pension Board members to review information sharing arrangements and PB representatives' views on information sharing, knowledge and skills, with input from Scheme Manager.	Pension Board and Scheme Manager		Completed
E1	11/11	Business Continuity Planning	Pensions Board to receive a report on current BCP arrangements and testing and review their effectiveness with a view to making recommendations to Scheme Manager on whether a bespoke BCP outside existing WMFS arrangements is necessary.	Pensions Board Chair and Pensions Manager	To be approved in July 2023 .	Pension Board BCP agreed with minor additions at July 2023 PB meeting.
E2	11/11	Business Continuity Planning	Pension Administration Team to develop and share with the Scheme Manager and Pension Board a set of procedural notes for key pensions administration tasks. Content may be impacted by implementation of remedy.	Pensions Administration Team	Update to March 2023 Audit and Risk Committee Meeting – subject to Remedy roll out. Report expected to September Pensions Board	Ongoing
F	11/11	Information Sharing between SM, PB and Pension Administration Team	Written (rather than verbal) reports to be provided by the Pension Team on key issues to both the Pension Board and Scheme Manager as a standing item for all	Pensions Administration Team	To begin from March 2023 Audit and Risk Committee	Completed

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			meetings.			
G	11/11	Conflicts of Interest	Conflict of Interest Register, based on the TPR template, to be created and stored on system where all PB members have access. Will be a standing item for all PB meetings. This document to be shared with The Pension Regulator.	Portfolio Team and Pensions Board	To begin from implementation of new system as of February 2023	Completed
H1	11/11	Risk Management	<p>PB Risk Register Sub Group to consider TPR recommended changes or improvement in formatting of the Risk Register:</p> <ul style="list-style-type: none"> • utilising a cover sheet to provide a snapshot of the current risks, helping to clearly identify the current major risk(s) to the Scheme. The Scheme may wish to identify emerging risks in this location as well. • ensuring all risks have mitigating actions and owners • documenting closed risks <p>Incorporate relevant WMFS Corporate Risks within the PB Risk Register, to include Cyber Security (CR 7.3).</p>	Pensions Board RR sub group	Completed by January 2023	Complete – PB agreed to maintain current RR approach.
H2	11/11	Risk Management	PB Risk Register to be incorporated into Audit and Risk Committee risk updates.	Scheme Manager	To begin from March 2023 A&R Meeting	Completed
I	11/11	Digitisation of records	All records to be digitised and accessible to support data collection.	Pensions Manager supported by Data and Governance Team	Completed	Completed
J	11/11	Data Improvement policy	Pensions Team to work with Data and Governance team on ensuring a Data Improvement Policy is in place for	Pensions Administration	Completed following implementation of	Ongoing. Altair update now complete

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			Pensions Data, either drawing on existing policy or developing a new policy if required. To be taken forward following roll out of ALTAIR update.	Team & Data and Governance Team	new Altair system March 2023 June 2023	and data improvement policy and data review to now be progressed
K	11/11	Data Improvement Plan	Pensions Team, drawing on the Annual Data Review (Action L) to develop a Data Improvement Plan for any areas where data scores are not complete. This to be reported to both Scheme Manager and Pension Board, and shared with TPR. To be taken forward following roll out of ALTAIR update.	Pensions Administration Team	Following completion of Annual Data Review	Ongoing. Altair update now complete and data improvement policy and data review to now be progressed
L	11/11	Annual data review	Pensions Team to undertake a pension data review, to assess the accuracy and completeness of member data, to be reported to the Pension Board and Scheme Manager.	Pensions Administration Team	Completed by June 2023 Completed by October 2023 Scores to be shared as part of annual return to TPR	Ongoing – date reviewed Updated planned for future PB meeting
M	11/11	Recording data scores	Pensions administration team to record common and scheme specific data scores gathered as part of the Annual Data review (Action L) in Exchange as part of annual return to The Pension Regulator.	Pensions Administration Team	Completed by June 2023 Scores to be shared as part of annual return to TPR	Ongoing – date reviewed Updated planned for future PB meeting
N1	11/11	Review of KPIs	Scheme Manager to inform Pensions Board which KPIs it wishes to have developed and to receive regular updates on. PB to develop and agree with Pensions Team, and utilise a traffic light system (RAG).	Scheme Manager, Pensions Board Chair and Pensions Administration Team	Completed by March 2023	Completed

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N2	11/11	Supporting narrative to KPs	All Key Performance Indicators (provided with RAG rating) to be accompanied by appropriately detailed written narrative (which may be provided alongside a verbal update). This narrative to be provided to both the Scheme Manager and the Pension Board	Pensions Administration Team	Completed by June 2023	Complete – delivered to July PB . Further improvements to be made for future reports.
O	11/11	Documentation of Data validation procedures	Implementation of ORACLE upgrade is intended to allow Scheme Members to update their own contact details. All members to be contacted by post to inform them of new system, with further investigation of failed deliveries. Update to be given on time frames for the new system / implementation to PB in December by Pension Team. Update now expected in September with rollout of Altair/ Oracle functionality as relevant.	Pensions Administration Team	Update in December 2022, Trial of ORACLE started in February 2023 Oracle Trial now working, next steps being determined.	Delayed – Trial with initial group of pensioners failed - issue with ORACLE for resolution. Update expected at September PB .
P	11/11	Pension Process Automation	Pensions Team to provide a report to the Scheme Manager on automation and systems improvements achieved by implementation of ALTAIR and ORACLE systems system once in place.	Pensions administration team	Completed by June 2023	Report to Scheme Manager in July 2023 .
Q1	11/11	Administrative Task Timescales	Pensions Team to provide a report to the Scheme Manager setting out the expected task timescales (e.g., responses to queries), which will also be shared with Pension Board.	Pensions administration team	Completed by March 2023	Ongoing
Q2	11/11	Firefighter Pensions SAB Pensions Administration Strategy	Pensions Board to utilise FPS Administration, Management, and Governance Strategy template to create single documentation of roles and services standards. Document to be agreed by Scheme Manager and published on the WMFRA CMIS site.	Scheme Manager, Pension Board, Pension Team, Portfolio Team	Completed by March 2023 Completed by July 2023 To be agreed September 2023	Information from FPSAB to be included on new webpage on WMFS.net
Actions arising from previous Pension Board meetings						

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1	08/12	Altair timescales	Update to be given on time frames for the Altair new system / implementation and elements around data once available.	Pensions Manager	Completed by March 2023	Update to July PB expected
2	08/12	Members opt-out	A report is to be submitted to Audit and Risk Committee that included information circulated to employees to encourage them to remain in the scheme and what actions could be taken to keep them well informed before they decided to opt-out of their pension scheme.	Deputy Clerk / Pensions Manager	Completed by March 2023	Ongoing
4	08/12	Actively updating data records	Pensions Manager to go back to all relevant individuals to ask them to update their records, with assistance from Julie Felton, to actively promote them to update their records.	Pensions Manager/ Admin Manager	Completed by March 2023	Ongoing
8	29/03	Oracle ownership	Pensions Manager and PSS to speak with the relevant officer responsible for the ownership of the Oracle system.	Pensions Manager/PSS	Completed by July 2023	Ongoing - PB updated via email.
9	29/03	Risk Register – Removal of Risk	Remove risk 1 – Operational disaster	Admin Manager	Completed by July 2023	Ongoing – agreed at July PB.
11	29/03	External Communications	Senior Communications Manager to provide potential time scales for a dedicated Pensions section on wmfs.net site, including the development of relevant FAQ's, with the assistance of the Pension Board. To be added to the next Pension Board agenda.	Senior Communications Manager/ Deputy Clerk	Complete by July 2023	Complete
12	29/03	Business Continuity Plan	Deferred to the next Pension Board for approval/discussion.	Democratic Services Officer	Complete by July 2023	Complete
14	29/03	PB Terms of Reference	PB Terms of Reference to be circulated to PB for comments with the following amendments: <ul style="list-style-type: none"> - 6 monthly rotations for Chairing the Board - Wording amended on the membership (retired/active Members) 	Deputy Clerk	Completed by June 2023	Complete
16	04/07	Risk Register	Following items be removed from RR: 1. Risk 7 (covered under Risk 3)	Admin Manager / Pension	Complete by Sept. 2023	Guidance circulated to PB Members.

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			<p>Following items remain the same:</p> <ol style="list-style-type: none"> 1. Risk 2 – Member data incomplete or inaccurate 2. Risk 4 – Computer system failure at pay date 3. Risk 5 – Failure to process BACS 4. Risk 11 – Application of Remedy 5. Risk 14 – Costs accrued due to failure to apply scheme/tax rules correctly or in a timely manner <p>Following items to be changed:</p> <ol style="list-style-type: none"> 1. Risk 6 – reduce risk 2. Risk 9 – Failure to produce annual benefit statement – text to be updated. Risk level to remain the same. 3. Risks referencing Mike Griffiths to be updated. 4. Risk 17 – to be reworded for clarity. 5. Risk 19 – to be reduced to likelihood 2. 6. Risk 20 – text to be updated. <p>That the Pensions Manager circulates the audit reports conducted by internal auditors, as per Risk 3.</p> <p>That Risk 8 be reviewed once the findings of the pension review have taken plan.</p> <p>AH to circulate Contingent decision guidance to DSO to circulate.</p>	Manager / Employee Representative AH		
17	04/07	Business Cont. Plan	That Risk 1 (RR) Operational Disaster/Pension records be included in the PB Business Cont. Plan.	Deputy Clerk	Complete by August 2023	Completed
18	04/07	Appointment of Employee Representative	That AH to remain on PB following his retirement on 6 August until a replacement is made/hand over completed. Deputy Clerk to action appointment process and develop an expression of interest, with assistance from AH.		Complete by September 2023	
19	04/07	External communications	That the Pensions Manager circulate email addresses for his team to be included on the PB page.	Pensions Manager	Complete by August 2023.	

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20	04/07	Opt-Outs	That the Pensions Manager look into what data can be obtained for opt-outs and provide an update to the Board.	Pensions Manager	Complete by September 2023	
21	04/07	Reporting Breaches Procedure	That the Deputy Clerk provides suggested changes to the procedure for the PB consideration.	Deputy Clerk	Complete by September 2023	Paper to September PB
22	04/07	PB Annual Report	That the PB Annual Report be included in the SM update to the FRA in October 2023.	Scheme Manager	Complete by October 2023	
23	04/07	Work Programme	That the work programme be updated to reflect the SM change over.			
24	04/07	Topical, Legal and Regulatory issues	That the DSO dialogue with Matt Smith to ensure publication of FPS Bulletins on MESH.	DSO	Complete by July 2023	DSO added Matt Smith to FPS Bulletin distribution and agreed approach with him.
25	04/07	Topical, Legal and Regulatory issues	That the Pensions Manager provide data on the number of contingent members following the publication of legislation in October 2023	Pensions Manager	Completed by December 2023	

Last update: 25/08/2023

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West Midlands Fire Service Pension Board Risk Register**Updated 4th July 2023.**

Scheduled review date: 11th July 2023. 6 monthly review to include 'red' risks. Mutually agreed meeting was not required as register had been fully reviewed at Pension Board on 4th July 2023

Scheduled review date: 29th August 2023. 6 weekly review of 'red' risks. Meeting did not take place. Request from Chair that register was forwarded for inclusion in 7th September Pension Board, with any emerging risks picked up through Pensions Manager report having reviewed the KPI's.

Next scheduled review date: 3rd October 2023. 6 weekly review of 'red risks'

Risk Area - OPERATIONS	Likelihood		Impact	Score	Change from previous review	Control	Owner	Assigned to	Test/Review	Mitigation	Comments
	1	4									
1. Operational disaster (i.e. flood/fire)	1	4	4		↔	Pension records stored electronically/via a server and not yet on the cloud. Data backed up regularly	Pension Provider (may be Scheme Manager)	Pensions Manager	Annual		2/2/2023. For Pension Board consideration/discussion:- Recommendation for risk to be included in bespoke Pensions BCP as suggested by The Pension Regulator (TPR) and agreed by Pensions Board at meeting on 8th December 2022, or, as risk is specifically around 'flood/fire' and paper records are no longer held - is this still considered a risk? P. Bd 29/3/2023. Minutes refer. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed risk would be included in bespoke Pensions Board BCP which has been progressed by Tom Embury
2. Member data incomplete or inaccurate	3	3	9		↔	Annual reconciliation of member data to ensure accuracy and resolve any gaps	Scheme Manager	Pensions Manager	Annual	Data to be checked as part of the annual ToR return. Results will be reported to the Pension Board	02/02/2023. Part of The Pension Regulator 6 Key Processes and to remain in register. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed with proposal
						Address data cleanse completed annually	Pension Provider	Pensions Manager	Annual	Incorrect addresses investigated using a tracing agency	
						Robust payroll processes in place	Scheme Manager	Pensions Manager	Annual	To ensure accuracy of data sent to pension section	
3a. Administration Failure/Mal-administration	3	2	6		↔	All staff in Payroll and Pensions section are managed through organisational policies and process	Scheme Manager	Pensions Manager	Quarterly	Internal procedures are reviewed and audited annually as part of the normal audit cycle.	
3b.						Authority levels, financial controls and process within Oracle Fusion.	Scheme Manager/Provider		Annual	Forms part of the annual review of the Pay Policy statement.	2/2/2023. For Pension Board consideration:- Recommendation that when the Audit Report is completed, it comes to the attention of Pension Board via the Pension Manager update. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. To be reported into Pension Board on 7.9.2023 via Pensions Manager
3c.						Review audit reports	Scheme Manager	Pensions Manager	Annual	Normal monthly payroll processing arrangements cover this issue.	
4. Computer system failure at pay date	1	4	4		↔	Pay the previous month pension from the file with adjustments for death or part period payments. If notification that system will not be available or when upgrade is going through at compliance date. Trial pay run can be used as 'actual' if testing fails	Scheme Manager	Pensions Manager	Annual	Covered within the services Business Continuity Plan	2/2/2023. For Pension Board consideration:- Should this risk be included in the bespoke Pensions BCP as suggested by TPR and agreed by Pension Board at meeting on 8th December 2022. Employee Rep return dated 5.5.2023 - if this item is to remain mention should also be made of issues that may be experienced due to the system and wider I.T not being available due to hacking/malware of the I.T infrastructure. 4/7/2023 Pension Board. Risk to be mirrored in BCP and progressed by Tom Embury. Now included in BCP
5. Failure to process BACS	2	4	8		↔	Internal process for ensuring that BACS has been sent.	Pension Provider	Pensions Manager	Annual	Controlled by the normal processing procedures and reviewed annually by Internal Audit	2/2/2023. For Pension Board consideration:- Recommendation to remove risk. Process now completed in-house with no reliance on third party. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Risk remains - to remain as is.
6. Payment made to ineligible pensioner	1	3	3		↓	Annual certificate of identity process in place.	Pension Provider	Pensions Manager	Annual	Risk has been raised with SET, Finance and Resources and new procedure to be implemented from October 2021	2/2/2023 and 6/3/2023. For Pension Board consideration:- Recommendation to reduce risk due to work that has taken place, or change risk score to - Likelihood 1 Impact 3. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed with recommendation to reduce risk.
8. Insufficient resource to enable function to meet requirements of Pension Regulator	2	2	4		↔	Structure and staffing of function under review	Strategic Enabler - Resources	Pensions Manager	As and when regulator requirements change	Issues reviewed by SET Finance and Resources as part of monthly meeting with Payroll and Pensions Manager and internal KPI's	2/2/2023. For Pension Board consideration:- Recruitment has taken place, which reduces likelihood. Recommendation to reduce risk score to - Likelihood 1 Impact 2/3. Employee Rep return dated 5.5.2023 - Is this reduction appropriate with Paul Gwyns's appointment as UNISON rep and subsequent reduction in time spent within the department. 4/7/2023 Pension Board. Agreed no changes should be made at present.
9. Failure to produce Annual Benefit Statement	1	3	3		↔	Report to TPR. Keep scheme members and pension board informed of issue.	Scheme Manager	Pensions Manager	May - annually	Progress reported by Payroll and Pensions Manager to Employer Rep and monitored by board at regular intervals as agreed at first meeting of each year.	2/2/2023. Online delivery via Portal awaited. 'Go Live' via Member Self Serve with provider agreed as 1/3/2023. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Portal 'live' with active members having access to Annual Benefit Statements and able to update contact details. Roll out to other members and pensioners being considered. Agreed risk would remain as is, until access to Annual Benefit Statements was more widely available.
11. Application of remedy (McLoud)	4	4	16		↔	Data, Governance, People and Systems	Scheme Manager	Pensions Manager	Ongoing	Ensure requisite numbers of skilled staff are available and that IT systems have been updated.	2/2/2023 and 6/3/2023. For Pension Board consideration:- risk score to remain same until complete. Those impacted historically have been managed, with application of McLoud Business as Usual. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed risk to Service remains

Item 6

14. Costs incurred due to failure to apply scheme/tax rules correctly or in a timely manner	1	3	3	↔	Keep up to date with changes. Attend regional meetings. Subscribe to knowledge hub. Subscribe to HMRC pension tax updates. pension board involvement. Access professional advice before proceeding.	Strategic Enabler - Resources (151 Officer)	Pensions Manager		Annual Audit	02/02/2023. Risk remains as is until there are no longer any members in the 1992 Firefighters Pension Scheme. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed risk to Service remains.
17. Failure to manage FPS fund correctly i.e. injury pension accounting	1	2	2	↔	Training – Guidance Fire Finance network links	Strategic Enabler - Resources (151 Officer)	Finance		Annual Audit	02/02/2023. For Pension Board consideration:- Recommendation to increase risk score to - Likelihood 3 Impact 3. This is due to the recruitment of a Senior Accountant and retirement of the 51 Officer at end of March 2023. Changes in personnel and responsibilities to be considered. Structural review to support succession planning being discussed. KPI's to be implemented, picking up disclosure regulations. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Discussion re where risk sat - Organisational/reputational or Pension Board risk. Warning to be revisited
18. Failure to interpret rules or legislation correctly	3	2	6	↔	Central LGA resource and regional/national groups to assist with interpretation of rules and possible provision of legal opinion where this has been sought – with the caveat that each FRA should take own legal advice Technical team of pension provider. Access to knowledge hub and HMRC pension tax updates. Training. Access professional legal/tax advice where necessary	Scheme Manager			Monthly management meeting between Payroll and Pensions Manager and Head of Human Resources. Annual Audit	2/2/2023 and 6/3/2023. No further legislation released. October 2023 release should confirm what is already known. Central resource (Clare Hey) at LGA leaving. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Reliance on Pensions Manager interpreting complex information received. Relationships being rebuilt. Agreed risk remains as is.
19. Failure to comply with disclosure requirements or communicate with staff	2	2	4	↓	Internal Dispute Resolution Procedure (IDRP) Communications with staff Annual Benefit Statements (ABS) HR processes in place for auto-enrolment and annual pension band changes mail merges	Scheme Manager	Pensions Manager		Reports to Pension Board. Risk	2/2/2023 and 6/3/2023. For Pension Board consideration:- Recommendation to reduce risk score on adoption of KPI's and data behind these. Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed reduction of risk to - Likelihood 2 Impact 2
20. Pension Board Resourcing/Succession Planning. Added 14/3/2022	4	3	12	↔	Discussion point at meeting on 28th March 2022. Employer (WBS) and employee (ER) positions to be filled.	Clerk to the Authority	Chair	As and when identified		2/2/2023 and 6/3/2023. Pension Board Ballot 2 for employee rep commenced 30/1/2023 closing at 17:00 hours 22nd February 2023. Paper to be presented to Scheme Manager to re-appoint Alan Tranter and Adam Harper for a further 3 year term. Chair position remains vacant. 30.5.2023 Employee Rep return dated 5.5.2023 - agree with recommendation. 4/7/2023 Pension Board. Agreed remains a risk. Minutes will cover wider discussion an suggestions re future approach.
21. Application of remedy (O'Brien). Added 14/3/2022	4	2	8	↔	Discussion point at meeting on 28th March 2022	Scheme Manager	Pensions Manager	Ongoing	Ensure requisite numbers of skilled staff are available and that IT systems have been updated.	2/2/2023 and 6/3/2023. No change due to waiting further instruction, which is not expected until at least October 2023. 4/7/2023 Pension Board. Agreed risk remains as is

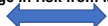
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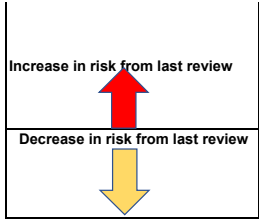
Risk Score 1 - 4

Risk Score 5 - 9

Risk Score 10 -16

No change in risk from last review





WEST MIDLANDS FIRE AND RESCUE AUTHORITY ^{Item 9}

PENSION BOARD

7th September 2023

PENSION SECTION SUPPORTING INFORMATION

1. WEST MIDLANDS FIRE SERVICE FIREFIGHTERS' PENSION SCHEMES MEMBERSHIP AS AT 31st August 2023

Active Firefighters	1,374
2015 scheme members	1,230
Non-members	144 (10.48%)
Pensioners	2,221
Dependants	426

2. Key Performance Indicators – Quarter ending 31st August 2023

2.1 Estimate requests

Received during period	32
Responded to during period	31
Average response time	50 days
Cases outside target	3
Performance	90.3%

2.2 Divorce proceedings

Received during period	10
Responded to during period	1
Average response time	11 days
Cases outside target	0
Performance	100%

2.3 Basic Scheme Information

Received during period	87
Responded to during period	35

Average response time	19 days
Cases outside target	1
Performance	97.14%

2.4 Transfers – Inter-brigade

Received during period	17
Responded to during period	0

2.5 Transfers - Other

Received during period	4
Responded to during period	9
Average response time	845 days
Cases outside target	8
Performance	11.11%

In the above cases the response date is the date when we closed our files on the case. In the cases above that were out of date this is due to the member not responding to correspondence or choosing not to pursue the transfer and not due to inaction on behalf of the pension team.

3. **INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)**

No cases entered the IDRP process during the reporting quarter.

4. **SYSTEMS UPDATE**

4.1 ALTAIR Member Self-service

ALTAIR Member self-service has been used to deliver the 2023 Annual Benefit Statements to all active scheme members in line with the statutory deadline of 31st August 2023.

Access has been extended to deferred members, where an email address is held. We will be extending access to pensioner members with email address in the system during September and then contacting all members without email addresses between October and December.

4.2 ORACLE Fusion

Ref. AU/PB/2023/

The ability of pensioners to access ORACLE without a cost occurring is under discussion with ORACLE's UK management team, as the required functionality is not currently available to UK customers.

The option to deliver the service at a cost exists but the decision to pursue this option rests with the Strategic Enabler for Enabling Services.

The Payroll and Pensions team Work to deliver online payslips to Pensioner members is continuing and it is still intended to deliver this functionality by 31st May 2024.

Paul Gwynn
Payroll and Pensions Manager



Compliance

West Midlands FPS Administration, Management, and Governance Strategy

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1 Introduction

West Midlands Fire and Rescue Authority is defined in law as the scheme manager¹ and is therefore responsible for the management and administration of the Firefighters' Pensions Schemes for scheme members employed by West Midlands Fire Service.

Although the scheme manager function can be delegated² within the authority, West Midlands Fire and Rescue Authority retains legal responsibility for the scheme. In the employer role, West Midlands Fire Service provide pension related functions such as administration, finance and payroll.

This document is the FPS Administration, Management, and Governance Strategy statement which outlines formal standards and expectations of the Fire and Rescue Authority (FRA) and the administrator, along with expectations of the Local Pension Board³ in their role of assisting the scheme manager.

The aim of the document is to ensure that a consistent, cost-effective, and high-quality pension service is provided to members, recognising that full and transparent collaboration between stakeholders is key to achieving this aim.

2 Compliance

The following stakeholders have been consulted in the development of this statement:

- Local Pension Board;
- the Chief Fire Officer as delegated Scheme Manager and
- the Pension Administration team.

The scheme manager is the owner of the document. A copy can be found at <https://www.wmfs.net/careers/pensions/>

This strategy does not override any provision contained with the scheme regulations or any administration guidance provided by the Local Government Association (LGA).

The document has been presented, considered, and ratified by the Local Pension Board on [INSERT DATE] and applies to all interested parties from this date.

¹ <http://www.legislation.gov.uk/ukxi/2014/2848/regulation/4/made>

² <https://www.legislation.gov.uk/ukxi/2014/2848/regulation/5/made>

³ <http://www.legislation.gov.uk/ukxi/2015/465/regulation/4/made>

3 Review

The strategy will be reviewed following any changes to scheme rules, processes, or procedures which affect this strategy, including a change of administrator, or every three years if this is sooner.

Changes will be made following consultation with the above-named bodies and a copy of the updated strategy will be made available online. Full consultation will not take place when there has been a change of contacts details only in 5.1 or 5.2 below.

Suggestions for improvement to this strategy are welcome from stakeholders at any time.

4 Liaison and communication

4.1 FRA contacts

The scheme manager will nominate contacts in the following areas to allow correspondence to be directed to the most relevant individual. These contacts will be provided to the administrator and the LGA.

Scheme manager (strategic) contact for valuation, scheme consultations, surveys, discretions, and Internal Dispute Resolution Procedure (IDRP)

Wayne Brown

Pension Scheme Manager
West Midlands Fire Service Headquarters
99 Vauxhall Road,
Birmingham
B7 4HW

Email: Schememanager@wmfs.net

Pension liaison contact for day to day administrative duties such as completion of forms, responding to queries, and HR functions

Pension Section

West Midlands Fire Service Headquarters
99 Vauxhall Road
Birmingham
B7 4HW

Email: pensions@wmfs.net

Telephone No. 0121 380 6727 / 6932 / 6933

Payroll contact for queries relating to pay, year-end postings, or pensioner payroll

Payroll Section

West Midlands Fire Service Headquarters
99 Vauxhall Road
Birmingham
B7 4HW

Email: payrolls@wmfs.net

Telephone No. 0121 380 6972 / 6973 / 6155

Tax Queries for queries relating to taxation issues

HM Revenue and Customs

City Centre House
30 Union Street, Fire Pensions
Tax Ref. No. 068/W103
Birmingham B2 4AD

Tel. 0300 200 3300

The scheme manager is responsible for keeping the nominated contacts up to date and providing prompt notification of changes.

5 Scheme manager duties and responsibilities

5.1 Discretions

As a matter of best practice, **the scheme manager shall prepare and publish a written statement on the exercise of discretions** which are available to them under each set of FPS regulations. The discretions policy will be kept under review and the revised version published within one month of the effective date.

A full list of [scheme manager discretions](#) is available.

5.2 Internal Dispute Resolution Procedure (IDRP)

If a scheme member, prospective member, dependant, or other person with an interest in the scheme, is dissatisfied with a decision made by the FRA (or the failure to make a decision) there are rights of appeal available. Each set of scheme rules contains arrangements for Internal Dispute Resolution Procedures (IDRP) based on the requirements of the Pensions Act 1995 and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008.

Firefighters' Pension Scheme 1992 (FPS 1992)	Rule H3 (as amended by SI 2013/1392)
Firefighters' Pension Scheme 2006 (FPS 2006)	Part 8, paragraph 5
Firefighters' Pension Scheme 2015 (FPS 2015)	Regulation 163
Firefighters' Compensation Scheme (FCS)	Part 6 rule 3

The scheme manager will nominate appropriate persons to hear each stage of the appeal and respond to the individual within the specified timescales.

The timescales for each stage are stipulated in the [IDRP factsheet](#) and must be adhered to in order to mitigate further complaint or distress to the member. Failure to comply with timescales could be construed as maladministration and attract a financial award⁴ from The Pensions Ombudsman (TPO).

The nominated decision makers for West Midlands Fire and Rescue Authority are;

Stage 1	Assistant Chief Fire Officer and Director for People
Stage 2	West Midlands Fire and Rescue Authority Appeals Committee

Guidance on IDRPs can be found here:

- [IDRP factsheet](#)
- Guidance for decision makers [pending review]
- Guidance for individuals [pending review]

5.3 The Pensions Regulator (TPR)

[TPR](#) is a public body established by the [Pensions Act 2004](#) to make sure that pension schemes within the UK are run properly and can provide secure benefits for their members upon retirement. TPR has powers to "educate, enable, and enforce", and is responsible for promoting good scheme administration. The Regulator is sponsored by the Department for Work and Pensions (DWP).

TPR's oversight of public service pension schemes, including the Firefighters' Pension Schemes, was introduced by schedule 4 of the [Public Service Pensions Act 2013](#).

⁴ [TPO – Redress for non-financial injustice factsheet](#)

The scheme manager will ensure that they are familiar with TPR's [Code of Practice 14: Governance and administration of public service pension schemes](#).⁵

Each year TPR issue two requests for information which the scheme manager and Local Pension Board (LPB) shall ensure are completed:

[Scheme return](#) – the scheme return is a statutory return which allows TPR to keep their register of workplace pension schemes up to date.

The return asks for information about what type of scheme the FPS is and how many members each employer has, as well as requesting up to date contact details.

The return also asks schemes to provide their common and scheme specific data scores, which enables TPR to monitor continuous data improvement. Information on data scoring for the FPS is available below

[Advice on TPR data scoring 2019](#)

[Data score weighting template 2019](#)

TPR can and will take enforcement action if the scheme return is not completed.

[Governance and Administration survey](#) – scheme managers are invited to complete the annual governance and administration survey in conjunction with their LPB. Although the survey is not mandatory, participation is strongly encouraged by both TPR and the Scheme Advisory Board, so that improvements in running the FPS can be monitored and evidenced.

TPR do not take any regulatory action based on survey responses, but overall trends may inform their engagement activity with schemes.

Familiarity with [TPR's six key processes](#) will assist schemes with understanding and compliance.

One of TPR's key areas of focus is record keeping and data quality. **Scheme managers shall ensure that [data is reviewed annually](#) and that a [data improvement plan](#) is in place.**

Non-completion of either of the above requests for information may indicate wider governance failings to TPR.

5.4 Contribution bands

Banded contribution rates apply to the FPS based on a member's pensionable pay.

The scheme manager will ensure that there are processes in place to allocate members to the correct contribution band at the start of each scheme year.

⁵ TPR is currently consulting on a new modular code of practice which consolidates the existing codes.

Contributions are laid in legislation for each scheme and can be found on the [annual updates](#) page of the Regulations and Guidance website.

Until remedy in the transitional protections case is implemented, the scheme manager will have a process in place to manage members tapering from FPS 1992 or 2006 to FPS 2015. The process should confirm how the taper date is notified to payroll and what kind of monitoring is in place to ensure contributions are changed on the correct date.

5.5 Reporting breaches

Scheme managers and pension board members have a statutory obligation to record and report breaches of the law.

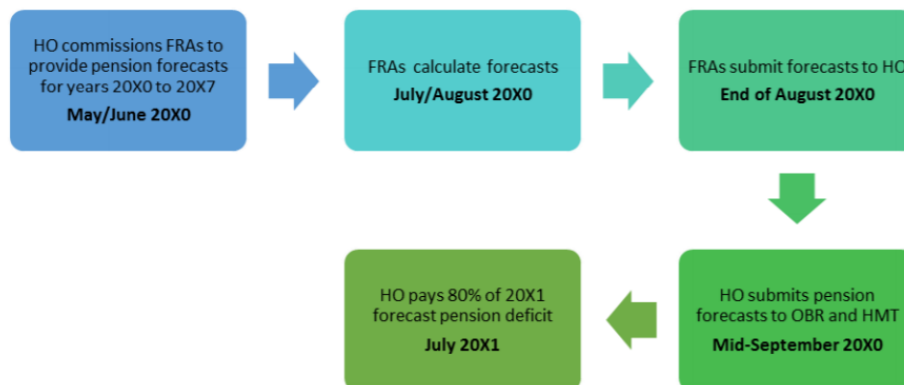
When a potential breach has been identified, the [breach assessment template](#) should be completed to assess the breach for materiality in order to determine whether it needs to be reported to TPR. This can also be stored as documentary evidence if the decision is later challenged.

Although a breach may not seem material in terms of numbers of members affected, if the same members are consistently affected, this should be considered, along with likely timescales for rectification and what action may be taken to ensure that the breach does not reoccur.

Further information about [breach recording and reporting](#) can be found in the [TPR six key processes](#) factsheet.

5.6 Top-up grant

Each year the Home Office commissions FRAs to submit pension forecasts for the following seven financial years in line with the following timescales.



The pension forecasts for the financial year following the collection are used to make an initial assessment on each fire authority's annual top up grant entitlement for that year.

The collection of accurate annual pension forecast data is critical for ensuring sufficient budget cover is secured to make pension top up grant payments to FRAs each year.

The scheme manager is responsible for ensuring this information is submitted accurately and on time.

Full details are available in the [guide for fire authorities \(in England\) when calculating pension forecasts for the Firefighters' Pension Top Up Grant](#).

5.7 HMRC reporting

Although the scheme manager retains legal responsibility, HMRC reporting may be delegated to the administrator under the terms of the service level agreement.

Event Reporting – the scheme administrator of a registered pension scheme must tell HMRC when certain reportable events occur no later than 31 January following the end of the tax year. This is done by submitting the Event Report for a tax year.

These reportable events are split into two categories:

- reportable changes, and
- reportable fund movements.

There are 23 reportable events. [HMRC guidance on sending pension scheme reports](#) provides more information on all events that you must report.

Full details on Event Reporting can be found in [HMRC Pensions Tax Manual 161100](#).

Accounting for tax (AFT) – the scheme administrator is liable for payment of certain tax charges in connection with the scheme. When a scheme administrator does have a tax liability, the return that the scheme administrator must complete to account for that liability is called the Accounting for Tax return.

The scheme administrator is responsible for making the AFT return and for ensuring it is correct and complete.

Please note this is not a reference to the pension administration provider. Scheme administrator in this context refers to the duties of the FRA as stated in paragraph 3, sub paragraph 2 of [2006/569](#) which confirms that references to 'scheme administrator' as set out in schedule 3 should be read as a reference to the sub-scheme administrator as per schedule 2, in which the FRAs are listed.

A third-party administration provider can file the AFT on behalf of the scheme administrator, but the scheme administrator remains responsible for ensuring that it is submitted on time and the contents are correct. Where a provider submits the AFT the scheme administrator should have seen and approved its content before it is submitted to HMRC. The provider must make a declaration that the scheme administrator has approved the contents before they can submit it to HMRC

Full details on AFT can be found in [HMRC Pensions Tax Manual 162100](#).

5.8 General Data Protection Regulation (GDPR)

Each FRA is a Data Controller for pension scheme data under GDPR and must determine how, and for what purposes, data is to be processed.

Resources to assist authorities in complying with their duties under the regulations are available have been made available on the following [dedicated GDPR webpage](#).

West Midlands Fire Service is a Data Controller as part of the Data Protection Act 2018 which incorporates the General Data Protection Regulation (GDPR). This means we store, hold and manage personal data in line with statutory requirements to enable us to provide pension administration services. To enable us to carry out our statutory duties, we are required to share information with certain bodies, but will only do so in limited circumstances. More information about how we hold data and who we share it can be found in the Authority's Privacy Notice on <https://www.wmfs.net/legal-terms-policy/organisational-privacy-policy/>.

5.9 Disclosure

Under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations, **the scheme manager must provide certain information to scheme members within certain timescales.**

Please refer to the [guide to disclosure of information requirements](#) for more information.

5.10 Overriding legislation

In addition to the scheme regulations, **the scheme manager will ensure compliance with any overriding legislation in force.**

5.11 Audit

The FRA may commission internal and external audits in maintaining the FPS pension fund account and other pension related matters.

FRAs are expected to fully comply with any requests for information from both internal and approved external auditors, including from the administrator's auditors.

6 Administrator duties and responsibilities

6.1 The Pensions Regulator (TPR)

The administrator should ensure that they are familiar with TPR's [Code of Practice 14: Governance and administration of public service pension schemes](#)⁶.

6.2 Data standards

The administrator will ensure that suitable and secure methods of data transfer are available for the FRA to use.

Personal data will only be transferred from one party to the other via an acceptable method specified by the administrator which may include any of the following:

- a. Data transfer service (Internet based application)
- b. Secure email
- c. Paper forms signed by an authorised officer from the employer
- d. Password protected excel spreadsheet

Data validation and cleansing processes should be in place in accordance with TPR requirements.

6.3 Reporting breaches

Administrators also have a statutory obligation to record and report any identified breaches of the law.

Refer to [section 6.6](#) for further details.

6.4 HMRC reporting

Although the scheme manager retains legal responsibility, **HMRC reporting may be delegated to the administrator.**

See [section 6.8](#) for more information.

6.5 GDPR

The administrator holds personal data on behalf of the FRA, including all membership records and bank details of FPS pensioner members.

⁶ As noted above, TPR is consulting on a new consolidated code of practice to replace the existing codes.

Each administrator is therefore a Data Processor for pension scheme data under GDPR and must determine how, and for what purposes, data is to be processed.

6.6 Overriding legislation

In addition to the scheme regulations, **the administrator will comply with any overriding legislation in force.**

6.7 Audit

The Pension Team, as administrator, is subject to annual audit of its processes and internal controls as part of the wider WMFS external audit. **This audit will provide assurance to the Local Pension Board** and that a copy of the audit should be provided to the FRA.

Any subsequent recommendations will be considered and where appropriate implemented following any necessary discussions with the FRA/scheme manager.

The FRA may commission internal and external audits and the FRA's internal and/or external auditors may require access to the data held by the administrator and explanations of the administrator's internal controls upon which the FRA/scheme manager relies. Therefore, **the administrator also has an obligation to comply with any requests from the FRA/scheme manager's auditors.**

7 Performance reporting

Ensuring compliance is the responsibility of both the administrator and the Scheme Manager. Parties should work closely together to ensure compliance with all statutory requirements, whether they are specifically referenced in the regulations, in overriding legislation, or in this administration strategy.

Both employer and administrator targets will be measured on a quarterly basis and these will be reported to the Scheme Manager. They will also be provided to the Local Pension Board.

Minimum standards for completing tasks in line with industry good practice and regulations, and the services Key Performance Indicators, are included at [Appendix 1](#).

A key factor in calculating the time taken to complete a process is the point at which the 'time clock' is started. This may be from the date of the relevant event or when the administrator is informed or receives all necessary information. The clock may also need to be 'paused' during the process, for example to await instruction or documentation from the member or employer, and these waiting days can reasonably be excluded from the total time taken.

8 Local Pension Board responsibilities

Local Pension Boards were required to be established by the 1 April 2015 under the provisions of [Section 5 of the Public Service Pensions Act 2013](#) and regulation 4A of [The Firefighters' Pension Scheme \(Amendment\) \(Governance\) Regulations 2015](#).

The regulations state that each FRA must have an equal number of employer and member representatives, with a minimum of four members in total. Members are expected to have a sufficient degree of knowledge and understanding of the pension scheme to allow them to fulfil their role, which is to assist the scheme manager in complying with the pension scheme rules.

The LGA Bluelight pensions team provide annual [training](#) for boards at a local or regional level. TPR also offers a series of courses on the [Public Service toolkit](#), to help those involved in scheme governance to improve their knowledge.

The Firefighter's Pensions (England) Scheme Advisory Board (SAB) website holds a range of [resources](#) that have been developed to facilitate the effective running of Local Pension Boards.

Appendix A – Key Performance Indicators

Indicator	Description	Statutory Time Limit/KPI	Target
New starters	Basic scheme information provided to new starters	1 month for Automatic Enrolment Job Holder	100%
Basic information	Basic scheme information for relevant person other than a new starter	2 months unless provided in previous 12	100%
Constitution of scheme	Request for information about constitution of the scheme from relevant person	2 months unless provided in previous 12	100%
Transfer Credits	Information about transfer credits to member or prospective member	2 months unless provided in previous 12 or included in ABS.	100%
Active ABS issued	Provision of Annual Benefit Statement for Active Scheme Member	31 August (where year-end on time)	100%
Deferred ABS issued	Provision of Annual Benefit Statement for Deferred Scheme Member	31 May (or in line with active ABS)	100%
Pension saving statements	A statement of the amount of pension saving in the pension scheme for a tax year	6 October	100%
Benefit request pre-retirement	Request for information from member (active, deferred, pension credit) regarding amount of benefit where retirement not imminent	2 months unless provided in previous 12 or included in ABS.	100%
Retirement information – Pension Age	Information to person retiring at pension age regarding amount of benefit about to become payable to them	Before the date on which the benefit becomes payable and no later than 1 month after.	100%
Retirement information – before Pension Age	Information to person retiring before pension age regarding amount of benefit about to become payable to them	Within 2 months of benefit becoming payable	100%
Divorce estimates	Estimate of pension benefits and costs associated with a divorce	3 months	100%
Transfers in	Processing transfers into the FPS	2 months	100%
Transfer out estimates	Calculating total cash equivalent value of scheme benefits.	3 months	100%
Transfers out	Processing transfers out of the FPS	6 months	100%
Refunds paid	Payment of any required refund	2 months	100%
Deferred benefits calculated	Calculation of deferred benefit at pension age	2 months	100%
Death notification processed	Processing changes following receipt of information on death of member (or beneficiary)	Within 2 months of the date scheme become aware of death	100%
Acknowledgment and initial response to inquiries	Acknowledgement of email, postal or phone inquiries Initial response (may not be to provide final answer)	Three working days	95%

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		Ten working days	
Payment advice	Provision of payment advice when payments are likely to change by +/- £10 per month	Three days before payment date	95%

**WEST MIDLANDS FIRE SERVICE
FIRE FIGHTERS PENSION FUND**

Item 13

Reporting Breaches Procedure

July 2023

1. Introduction

- 1.1. This document sets out the procedures to be followed by certain persons involved with the West Midlands Fire Service (WMFS) Firefighters Pension Fund, managed and administered by WMFS, in relation to reporting breaches of the law to The Pensions Regulator.
- 1.2. Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.
- 1.3. This Procedure document applies, in the main, to:
 - all members of the WMFS Pension Board, including its advisors and officers providing support;
 - all officers involved in the management of the scheme such as, the Chief Fire Officer as Scheme Manager and their delegated representatives, members of the Finance Team and Pensions Administration Team, the Head of People Support and the Head of Finance and Procurement (Section 151 Officer);
 - any professional advisers including auditors, actuaries, legal advisers and fund managers

2. Requirements

2.1. This section clarifies the full extent of the legal requirements to report breaches and to whom they apply.

2.2. Pensions Act 2004

[Section 70 of the Pensions Act 2004](#) (the Act) imposes a requirement on the following persons:

- a trustee or manager of an occupational or personal pension scheme;
- a member of the pension board of a public service pension scheme;
- a person who is otherwise involved in the administration of such a scheme an occupational or personal pension scheme;
- the employer in relation to an occupational pension scheme;
- a professional adviser in relation to such a scheme; and
- a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme,
- a scheme strategist or scheme funder of a Master Trust scheme within the meaning of Part 1 of [the Pension Schemes Act 2017](#) (see section 39 of that Act)

to report a matter to The Pensions Regulator as soon as is reasonably practicable where that person has reasonable cause to believe that:

- a) a legal duty relating to the administration of the scheme has not been or is not being complied with, and
- b) the failure to comply is likely to be of material significance to The Pensions Regulator.

The Act states that a person can be subject to a civil penalty if he or she fails to comply with this requirement without a reasonable excuse. The duty to report breaches under the Act overrides any other duties the individuals listed above may have.

However, the duty to report does not override 'legal privilege'. This means that, generally, communications between a professional legal adviser and their client, or a person representing their client, in connection with legal advice being given to the client, do not have to be disclosed.

2.3. The Pension Regulator's Code of Practice

Practical guidance in relation to the legal requirement to report breaches is included in [The Pension Regulator's Code of Practice](#) including in the following areas:

- implementing adequate procedures.

- judging whether a breach must be reported or whether there is 'reasonable cause' to believe a breach has occurred.
- Judging what is of 'material significance' to The Pension Regulator
- submitting a report to The Pensions Regulator.
- whistleblowing protection and confidentiality.

2.4. Application to the WMFS Fire Fighters Pension Scheme

This procedure has been developed to reflect the guidance contained in The Pension Regulator's Code of Practice in relation to the WMFS Fire Fighters Pension Scheme and this document sets out how the Pension Board and all relevant officers will strive to achieve best practice through use of a formal reporting breaches procedure.

3. The WMFS Fire Fighters Pension Fund Reporting Breaches Procedure

The following procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of law relating to the WMFS Fire Fighters Pension Scheme. It aims to ensure individuals responsible are able to meet their legal obligations, avoid placing any reliance on others to report. The procedure will also assist in providing an early warning of possible malpractice and reduce risk.

3.1. Clarification of the law

Aside from those already mentioned in Section 2, Individuals may need to refer to regulations and guidance when considering whether or not to report a possible breach. Some of the key provisions are shown below:

- [Employment Rights Act 1996](#)
- [Occupational and Personal Pension Schemes \(Disclosure of Information\) Regulations 2013 \(Disclosure Regulations\):](#)
- [Public Service Pension Schemes Act 2013:](#)
- [Fire Fighter Pension Regulations](#)

Further guidance and assistance can be provided by the Head of People Support Services and Fire Authority's Monitoring Officer, provided that requesting this assistance will not result in alerting those responsible for any serious offence (where the breach is in relation to such an offence).

3.2. Clarification when a breach is suspected

Individuals need to have reasonable cause to believe that a breach has occurred, not just a suspicion. Where a breach is suspected the individual should carry out further checks to confirm the breach has occurred. Where the individual does not know the facts or events, it will usually be appropriate to check with the Pensions Team, the Head of People Support, the Monitoring Officer, a member of the Pension Board or others who are able to explain what has happened.

However, there are some instances where it would not be appropriate to make further checks, for example, if the individual has become aware of theft, suspected fraud or another serious offence and they are also aware that by making further checks there is a risk of either alerting those involved or hampering the actions of the police or a regulatory authority. In these cases, The Pensions Regulator should be contacted without delay.

3.3. Determining whether the breach is likely to be of material significance

To decide whether a breach is likely to be of material significance an individual should consider the following, both separately and collectively:

- cause of the breach (what made it happen);
- effect of the breach (the consequence(s) of the breach);

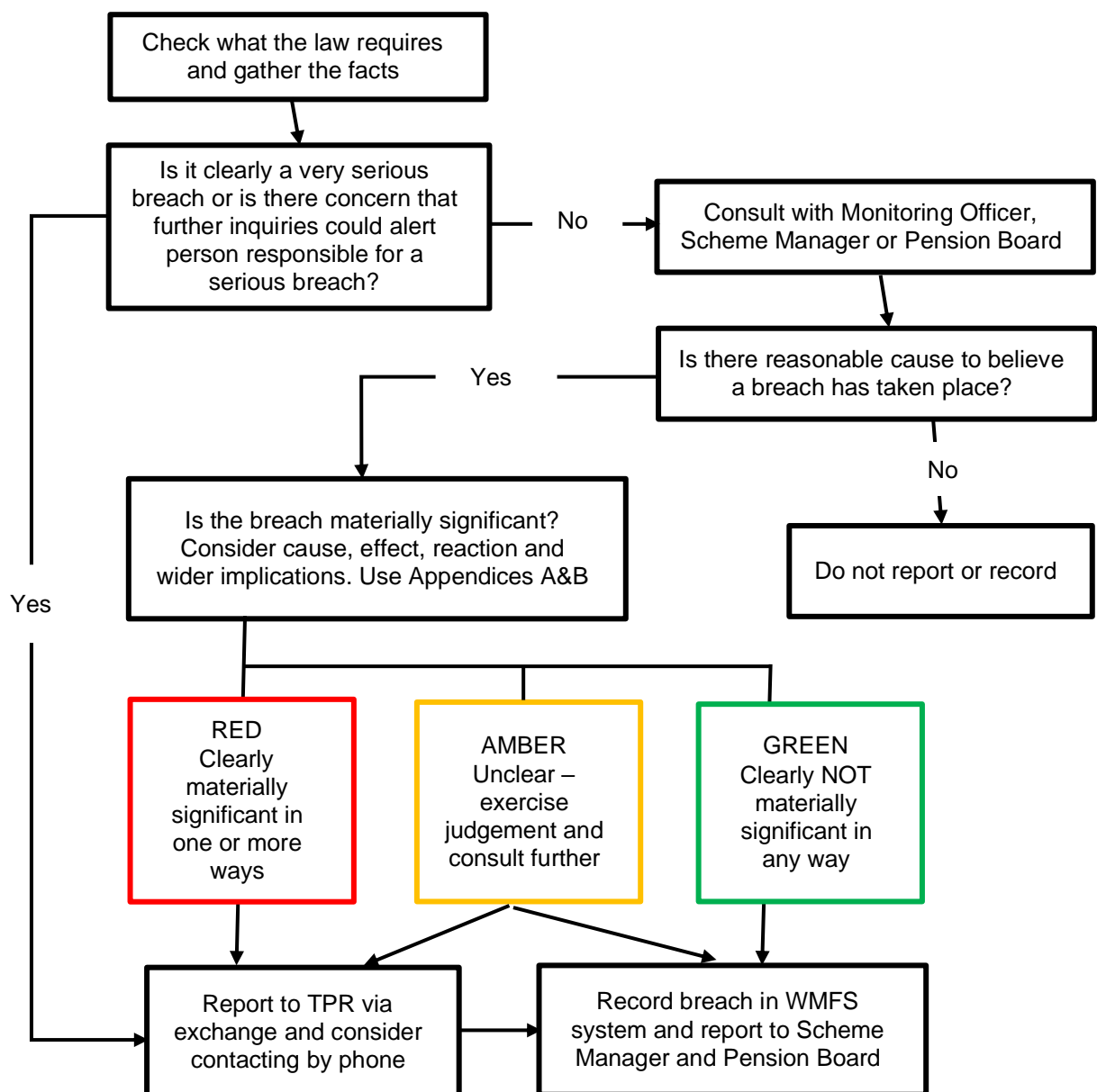
- reaction to the breach; and
- wider implications of the breach.

Further details on the above four considerations are provided in Appendix A to this procedure.

The individual should use the traffic light framework described in Appendix B to help assess the material significance of each breach and to formally support and document their decision.

- 3.4. A decision tree is provided below to show the process for deciding whether or not a breach has taken place and whether it is materially significant and therefore requires to be reported.

Decision Tree



3.5. Referral to a level of seniority for a decision to be made on whether to report

West Midlands Fire and Rescue Authority has a designated Monitoring Officer to ensure the Fire Authority and Service acts and operates within the law. They are considered to have appropriate experience to help investigate whether there is reasonable cause to believe a breach has occurred, to check the law and facts of the case, to maintain records of all breaches and to assist in any reporting to The Pensions Regulator, where appropriate.

If breaches relate to late or incorrect payment of contributions or pension benefits, the matter should be highlighted to the Scheme Manager or Head of People Support at the earliest opportunity to ensure the matter is resolved as a matter of urgency. Individuals must bear in mind, however, that the involvement of the Monitoring Officer is to help clarify the potential reporter's thought process and to ensure this procedure is followed. The reporter remains responsible for the final decision as to whether a matter should be reported to The Pensions Regulator.

The matter should not be referred to any of these officers if doing so will alert any person responsible for a possible serious offence to the investigation (as highlighted in section 2). If that is the case, the individual should report the matter to The Pensions Regulator setting out the reasons for reporting, including any uncertainty – a telephone call to the Regulator before the submission may be appropriate, particularly in more serious breaches.

3.6. Dealing with complex cases

The Head of Finance and Procurement/Section 151 Officer, Head of People Support or Monitoring Officer may be able to provide guidance on particularly complex cases. Information may also be available from national resources such as the [Firefighters' Pension Scheme Advisory Board](#). If timescales allow, legal advice or other professional advice can be sought, and the case can be discussed at the next Board meeting.

3.7. Timescales for reporting

The Pensions Act and Pension Regulators Code require that if an individual decides to report a breach, the report must be made in writing as soon as reasonably practicable. Individuals should not rely on waiting for others to report and nor is it necessary for a reporter to gather all the evidence which The Pensions Regulator may require before taking action.

A delay in reporting may exacerbate or increase the risk of the breach. The time taken to reach the judgements on “reasonable cause to believe” and on “material significance” should be consistent with the speed implied by ‘as soon as reasonably practicable’. In particular, the time taken should reflect the seriousness of the suspected breach.

3.8. Early identification of very serious breaches

In cases of immediate risk to the scheme, for instance, where there is any indication of dishonesty, The Pensions Regulator does not expect reporters to seek an explanation or to assess the effectiveness of proposed remedies. They should only make such immediate checks as are necessary.

The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty, the reporter should avoid, where possible, checks which might alert those implicated. In serious cases, reporters should use the quickest means possible to alert The Pensions Regulator to the breach.

3.9. Recording all breaches even if they are not reported

The record of past breaches may be relevant in deciding whether to report a breach (for example it may reveal a systemic issue). WMFS, through the Head of People Support, will maintain a record of all breaches identified by individuals.

Records of unreported breaches should also be provided as soon as reasonably practicable and certainly no later than within 20 working days of the decision made not to report. These will be recorded alongside all reported breaches.

3.10. Reporting a breach

Reports of materially significant breaches must be submitted in writing via The Pensions Regulator's online system at www.tpr.gov.uk/exchange. If necessary, a written report can be preceded by a telephone call.

Reporters should ensure they receive an acknowledgement for any report they send to The Pensions Regulator. The Pensions Regulator will acknowledge receipt of all reports within five working days and may contact reporters to request further information. Reporters will not usually be informed of any actions taken by The Pensions Regulator due to restrictions on the disclosure of information.

As a minimum, individuals reporting should provide:

- full scheme name (WMFS Fire Fighters Pension Fund);
- description of breach(es);
- any relevant dates;
- name, position and contact details;
- role in connection to the scheme; and
- employer name or name of scheme manager

3.11. If possible, reporters should also indicate:

- the reason why the breach is thought to be of material significance to The Pensions Regulator;
- scheme address (provided at the end of this procedures document);
- scheme manager contact details (provided at the end of this procedures document);
- pension scheme registry number (xxxxxxx); and include whether the breach has been reported before.

The reporter should provide further information or reports of further breaches if this may help The Pensions Regulator in the exercise of its functions. The Pensions Regulator may make contact to request further information.

3.12. Confidentiality

If requested, The Pensions Regulator will do its best to protect a reporter's identity and will not disclose information except where it is lawfully required to do so. If an individual's employer decides not to report and the individual employed by them disagrees with this and decides to report a breach themselves, they may have protection under the Whistleblowing protections within the Employment Rights Act 1996 if they make an individual report in good faith.

3.13. Reporting to Scheme Manager and Pension Board

A report will be presented to the Scheme Manager and the Pension Board on a quarterly basis setting out:

- all breaches, including those reported to The Pensions Regulator and those unreported, with the associated dates;
- in relation to each breach, details of what action was taken and the result of any action (where not confidential);
- any future actions for the prevention of the breach in question being repeated; and
- highlighting new breaches which have arisen in the last year/since the previous meeting.

An example of the information to be included in the quarterly reports is provided in Appendix C to this procedure.

3.14. Review

This Reporting Breaches Procedure was originally developed in November 2015 and substantially updated in July 2023. It will be kept under review and updated as considered appropriate by the Scheme Manager and Pension Board. It may be changed as a result of legal or regulatory changes, evolving best practice and ongoing review of the effectiveness of the procedure.

Further Information

If you require further information about reporting breaches or this procedure, please contact:

- Satinder Sahota – Monitoring Officer

satinder.sahota@wmfs.net

- Richard Stanton – ACFO and Director for People (Representing the Scheme Manager)

schememanager@wmfs.net

- Paul Gwynn - Payroll and Pensions Manager

paul.gwynn@wmfs.net

Contact details for reporting:

Scheme Manager:

Chief Fire Officer Wayne Brown
West Midlands Fire Service
99 Vauxhall Road
Birmingham
B7 4HW

schememanager@wmfs.net

Scheme address:

WMFS Firefighters Pension Scheme
West Midlands Fire Service
99 Vauxhall Road
Birmingham
B7 4HW

Appendix A

Determining whether a breach is likely to be of material significance

To decide whether a breach is likely to be of material significance individuals should consider the following elements, both separately and collectively:

- cause of the breach (what made it happen);
- effect of the breach (the consequence(s) of the breach);
- reaction to the breach; and
- wider implications of the breach.

The cause of the breach

Examples of causes which are likely to be of concern to The Pensions Regulator are provided below:

- acting, or failing to act, in deliberate contravention of the law;
- dishonesty;
- incomplete or inaccurate advice;
- poor administration, i.e. failure to implement adequate administration procedures;
- poor governance; or
- slow or inappropriate decision-making practices.

When deciding whether a cause is likely to be of material significance individuals should also consider:

- whether the breach has been caused by an isolated incident such as a power outage, fire, flood or a genuine one-off mistake.
- whether there have been any other breaches (reported to The Pensions Regulator or not) which when taken together may become materially significant.

The effect of the breach

Examples of the possible effects (with possible causes) of breaches which are considered likely to be of material significance to The Pensions Regulator in the context of the LGPS are given below:

- Committee/Board members not having enough knowledge and understanding, resulting in pension boards not fulfilling their roles, the scheme not being properly governed and administered and/or scheme managers breaching other legal requirements.
- Conflicts of interest of Committee or Board members, resulting in them being prejudiced in the way in which they carry out their role and/or the ineffective

governance and administration of the scheme and/or scheme managers breaching legal requirements.

- Poor internal controls, leading to schemes not being run in accordance with their scheme regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the scheme at the right time.
- Inaccurate or incomplete information about benefits and scheme information provided to members, resulting in members not being able to effectively plan or make decisions about their retirement.
- Poor member records held, resulting in member benefits being calculated incorrectly and/or not being paid to the right person at the right time.
- Misappropriation of assets, resulting in scheme assets not being safeguarded.
- Other breaches which result in the scheme being poorly governed, managed or administered.

The reaction to the breach

A breach is likely to be of concern and material significance to The Pensions Regulator where a breach has been identified and those involved:

- do not take prompt and effective action to remedy the breach and identify and tackle its cause in order to minimise risk of recurrence;
- are not pursuing corrective action to a proper conclusion; or
- fail to notify affected scheme members where it would have been appropriate to do so.

The wider implications of the breach

Reporters should also consider the wider implications when deciding whether a breach must be reported. The breach is likely to be of material significance to The Pensions Regulator where the fact that a breach has occurred makes it more likely that further breaches will occur within the Scheme or, if due to maladministration by a third party, further breaches will occur in other pension schemes.

Appendix B

Traffic light framework - deciding whether or not to report

It is recommended that those responsible for reporting use the traffic light framework when deciding whether to report to The Pensions Regulator. This is illustrated below:

	Description	Example
Red	Where the cause, effect, reaction and wider implications of a breach, when considered together, are likely to be of material significance. These must be reported to The Pensions Regulator.	Several members' benefits have been calculated incorrectly. The errors have not been recognised and no action has been taken to identify and tackle the cause or to correct the errors.
Amber	Where the cause, effect, reaction and wider implications of a breach, when considered together, may be of material significance. They might consist of several failures of administration that, although not significant in themselves, have a cumulative significance because steps have not been taken to put things right. You will need to exercise your own judgement to determine whether the breach is likely to be of material significance and should be reported	Several members' benefits have been calculated incorrectly. The errors have been corrected, with no financial detriment to the members. However the breach was caused by a system error which may have wider implications for other public service schemes using the same system.
Green	Where the cause, effect, reaction and wider implications of a breach, when considered together, are not likely to be of material significance. These should be recorded but do not need to be reported.	A member's benefits have been calculated incorrectly. This was an isolated incident, which has been promptly identified and corrected, with no financial detriment to the member. Procedures have been put in place to mitigate against this happening again.

All breaches should be recorded even if the decision is not to report.

When using the traffic light framework individuals should consider the content of the red, amber and green sections for each of the cause, effect, reaction and wider implications of the breach, before you consider the four together.

Appendix C Example Record of Breaches

Date	Category (e.g. administration, contributions, funding, investment, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported / Not reported (with justification if not reported and dates)	Outcome of report and/or investigations	Outstanding actions

*New breaches since the previous meeting should be highlighted

