

**Annual Report of the Pension Board
2022/23**

1. Background

The role of the local Pension Board as defined by section 5(1) and (2) of the Public Service Pensions Act 2013 is to-

- Assist the Scheme Manager:
 - to secure compliance with the Scheme regulations and any other legislation relating to the governance and administration of the Firefighters' Pension Scheme ("the Scheme").
 - to secure compliance with requirements imposed in relation to the Scheme by the Pensions Regulator.
 - in such other matters as the Scheme regulations may specify.
- Secure the effective and efficient governance and administration of the Scheme for the West Midlands Fire & Rescue Authority.
- Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.

The Pension Board will ensure that the Scheme is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

The full Terms of Reference for the Board can be found at **Appendix A** of this report.

2. Meetings

During 2022/23 the Board met on the following dates:

- Tuesday 20 September 2022
- Thursday 20 October 2022
- Thursday 8 December 2022
- Wednesday 29 March 2023
- Tuesday 4 July 2023

3. Attendance

Name	20/09/22	20/10/22*	08/12/22	29/03/23	04/07/23
Paul Bennett (Employee Representative)	N/A	N/A	N/A	✓	
Kamla Devi-Ahir (Employer Representative)	N/A	✗	✓	✓	
Julie Felton (Employer Representative)	✓	✓	✓	✓	
Adam Harper (Employee Representative)	✓	✓	✓	✓	
Kal Shoker (Employer Representative)	✓	✓	✗	✓	
Alan Tranter (Employee Representative)	✗	✓	✓	✓	

**Extraordinary Meeting with The Pension Regulator*

4. The Pension Board's business

During the year the Pension Board conducted the following business:

Receipt of The Pension Regulator Supervisory report for 2020-21, and development and implementation of related Action Plan.

Receipt and scrutiny of updates from the WMFS Pension Advisor

Compilation and regular evaluation of the Risk Register

Development of initial communications plan for membership.

Completed annual training with LGA Pension Advisor

Review and changes to Terms of Reference

Regular monitoring and feedback to Scheme Manager on significant pension administration issues and errors first detected in April 2022, including data breach and errors with calculations and payment.

Fielding numerous complaints and concerns from pension scheme members on the above.

Contribution of Independent Investigation into Pension Issues, commissioned by Scheme Manager and undertaken November 2022 – March 2023.

Received regular updates on development of new systems and processes

Embedded integrity of advisory role of Pension Board and decision making role of Scheme Manager

Undertook election for vacant employee/scheme member representative

5. The Pension Board's main achievements

The Pension Board believes its key achievements during the year were:

- Appropriate challenge and escalation of issues/decisions made by WMFS in relation to pension administration, in particular regarding the range of issues which includes PAYE errors, a data breach and miscalculation of benefits.
- Supporting the delivering of the Independent Investigation into the above mentioned errors.
- Holding pension administration and scheme management to account for delivery of immediate detriment payments by February 2023.
- Meeting with The Pension Regulator and delivering on the Action Plan developed as a response to their 2020-21 (delayed by COVID-19) Supervisory Report. This includes improvements to training needs analysis, registration of interests and business continuity plans.
- Continuing to build a good working relationship with the Audit and Risk Committee as the Scheme Manager
- Receiving and reviewing the regular sector updates from The Pension Regulator and progressing actions arising
- Reviewing the Committee's Terms of Reference to ensure they remain fit for purpose.
- The Board have met quarterly during the Municipal Year to discuss key topics such as Remedy and oversaw the development of the Pensions Board 'Risk Register'.
- Raising the profile of the Pensions Board ensuring regular communication with members of the Scheme
- Regular consideration and review of the Pension Board Risk Register and accompanying assurances, including timely updates and monitoring
- The continued presence of the WMFS Pension Advisor and Chair of the Audit & Risk Committee (representing the Scheme Manager)
- Succession plan for replacement of Board members to ensure continuity and quorum met
- Development of annualised workplan

**Terms of Reference for the Pension Board
of the West Midlands Firefighter Pension Scheme**

Terms of Reference and Delegated Authorities

Introduction

This document outlines the terms of reference for the Local Pension Board for the West Midlands Firefighter Pension Scheme.

Role of the Pension Board

The role of the local Pension Board as defined by section 5(1) and (2) of the Public Service Pensions Act 2013 is to -

- Assist the Scheme Manager:
 - to secure compliance with the Scheme regulations and any other legislation relating to the governance and administration of the Firefighters' Pension Scheme ("the Scheme").
 - to secure compliance with requirements imposed in relation to the Scheme by the Pensions Regulator.
 - in such other matters as the Scheme regulations may specify.
- Secure the effective and efficient governance and administration of the Scheme for the West Midlands Fire & Rescue Authority.
- Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.

The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by The Pension Regulator.

The Pension Board will also seek to ensure that the Scheme is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

Appointment of Members of the Pension Board

The process for selecting members of the Pension Board is set out below:

The Fire and Rescue Authority will consider matters such as who is eligible to stand, how the nomination process will work and what sort of information candidates will need to submit.

The Pension Board shall consist of six members and be constituted as follows:

- i. Three Employer Representatives, which will be identified by the Service, and appointed.
- ii. Three Scheme Member Representatives, which have been identified, and elected by Scheme members or appointed by the Scheme Manager. At least one scheme member representative must be an active pension scheme member, and at least one must be a retired scheme member.

Scheme Member and Employer Representatives must be appointed in equal number and shall together form the majority of the Board's membership.

The Chair of the Pension Board will be drawn from within the membership of the Board. It will be the role of the Chair to ensure that all members of the Board show due respect for process, that all views are fully heard and considered and to determine when consensus has been met.

The term of office for the Chair will be six months, on an alternating basis between the Scheme Member Representatives and Employer Representatives.

Each Employer Representative and Scheme Member Representative so appointed shall serve for a fixed period (of up to three years) which can be extended for further period(s) subject to re-nomination or re-election.

Each Board Member should endeavour to attend all Board meetings during the year and is required to attend at least two meetings each year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by:

Scheme Member Representatives

- recommendation by the other Scheme Member Representatives and the unanimous agreement of all of the other members.

Employer Representatives

- by the decision of the Service or on leaving the employment of the Service.

The Board may, with the approval of the Scheme Manager, co-opt persons who are not members of the Board to serve on sub committees, particularly where this would add skills and experience. Notwithstanding the appointment of co-opted members, the majority of the Board shall be comprised of Employer and Scheme Member Representatives, represented in equal number.

Quorum

The Board shall have a formal quorum when at least one Scheme Member Representative and one Employer Representative are in attendance.

In the absence of the Chair, a Chair person will be selected from amongst those representatives present.

Advisors and co-opted persons do not count towards the quorum.

Conflicts of Interest

The Board will utilise the existing Authority policy for identifying conflicts of interest . Any conflicts of interest that would prevent a representative from carrying out the role effectively will need to be highlighted to the Scheme Manager.

Board Review Process

The Board will undertake at the first meeting of the year, a formal review process to assess how well it and its committees and the members are performing with a view to seeking continuous improvement in the Board's performance.

Advisors to the Board

The Board may be supported in its role and responsibilities through the appointment of advisors and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisors to the Board and on such terms as it shall see fit to help better perform its duties including:-

- A Governance Advisor.
- The Fund's Actuary.
- The Fund's Administrator.
- A representative of the Scheme Manager.
- Other advisors, so approved by the Scheme Manager.

The Board shall ensure that the performance of the advisors so appointed are reviewed on a regular basis.

Knowledge and Skills

The Code of Practice No. 14 Governance and Administration of public service pension schemes states “A member of the Pension Board must have a working knowledge and understanding of the law relating to pensions (and any other prescribed matters) sufficient for them to exercise the function of their role. Pension board members should be aware of the range and extent of the law relating to pensions which apply to their Scheme and have sufficient understanding of the content and effect of that law to recognise when and how it impacts on their responsibilities and duties”.

It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.

In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members will be supported to maintain a written record of relevant training and development.

Pension Board should regularly review their skills, competencies, and knowledge to identify gaps or weaknesses. Pension Board members will be expected to attend training to ensure that their knowledge and skills are maintained.

Board Meetings – Notice and Minutes

The Scheme Manager shall give notice to all Pension Board members of every meeting of the Pension Board. The Scheme Manager shall ensure that a formal record of Pension Board proceedings is maintained. Following the approval of the minutes by the Chair of the Board or Board Committee, they shall be circulated to all members of the Board and forwarded to the Scheme Manager.

There will be a minimum of four Pension Board meetings scheduled per year. The minutes of the Pension Board will be approved by the Scheme Manager and shared with pension scheme members on the Authority website.

Standards of Conduct

The role of Pension Board members requires the highest standards of conduct and therefore the 'seven principles of public life will be applied to all Pension Board members as embodied in the Authority code of conduct.

These are:-

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership.

Decision Making

Each elected/appointed member of the Pension Board will have an individual voting right, but it is expected the Pension Board will, as far as possible, reach a consensus.

Publication of Pension Board Information

Scheme Members and other interested parties will want to know that the Scheme is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with Scheme regulations, the governance and administration of the Scheme and requirements of the Pension Regulator.

Up to date information will be posted on the West Midlands Fire & Rescue Authority website showing: -

- The names and information of the Pension Board members.
- How the Scheme members are represented on the Pension Board.
- The responsibilities of the Pension Board as a whole.
- The full terms of reference and policies of the Pension Board and how they operate.
- The Pension Board appointment process.
- Any specific roles and responsibilities of individual Pension Board members.

Pension Board papers, agendas and minutes of meetings will be published on the West Midlands Fire & Rescue Authority website (CMIS). These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they are deemed as being confidential for the purposes of the Data Protection Act 1998, and other relevant data protection legislation (such as General Data Protection Regulations).

The Scheme Manager will also consider requests for additional information to be published or made available to individual Scheme members to encourage Scheme member engagement and promote a culture of openness and transparency.

Accountability

The Pension Board will be collectively and individually accountable to the Scheme Manager.

Expense Reimbursement [Remuneration and Allowances]

There will be no specific remuneration for undertaking the role of representative on the Local Pension Board. However, travel expenses in line with public transport or car mileage may be claimed with a valid receipt.

Reporting Breaches

Pension Board members are required to report breaches of the law to The Pension Regulator where they believe there is a legal duty that has not or is not being complied with or the failure to comply will be of material significance to The Pensions Regulator in the exercise of its functions. Any breach brought to the attention of the Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in a separate policy document.

Definitions

The undernoted terms shall have the following meaning when used in this document.

- "Pension Board" means the local Pension Board for the Fire Authority "Board" as required under the Public Service Pensions Act 2013.
- "Scheme Manager" Means the West Midlands Fire & Rescue Authority as administering authority of the Pension Fund, or whoever they have delegated this responsibility to.
- "Chair" Reference to duties to be performed, or authorise exercised, by the Chair.
- "Scheme" Means the Firefighters' Pension Schemes.

Interpretation

Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Scheme Manager.