

Minutes of the Pensions Board

**12 December 2018 at 1500 hours at
Fire Service Headquarters, Vauxhall Road, Birmingham**

Present: Neil Chamberlain (Chair)
Kal Shoker – Employer Representative
Wendy Browning Sampson – Employer
Representative
Employer Representative (Vacancy)
Emmett Robertson – Employee Representative
Alan Tranter -Employee Representative - By Skype
Clair Alcock, - LGA Pension Adviser
Paul Gwynn (Adviser)

18/18 Apologies for Absence

Adam Harper, Employee Representative

19/18 Declarations of Interest

None.

20/18 Minutes of Pension Board held on 27 September 2018

The minutes of the Pension Board held on 27 September 2018 were received.

It was confirmed that in both Internal Dispute Resolution Procedure cases, the original decisions were upheld.

Officers had met with WM Police Managers but it had been decided not to progress with collaborative working.

The Board noted the Future Governance Arrangements with the Mayoral Fire Committee.

The Board confirmed that, in future, they wished for names rather than titles to be used in the minutes of meetings. Wendy Browning-Sampson had confirmed with advice given by the Monitoring Officer in respect of IDRPs review was still relevant.

It had been confirmed that Paul Gwynn attended the IDRPs to provide factual information. Following a request from the Appointments, Standards and Appeals Committee, the Clerk would be reviewing the procedures for future IDRPs.

21/18 Pensions Board Supporting Information

Paul Gwynn gave a brief update on the Membership levels as at 31 October 2018. There had been movement since the last meeting with the number of non-members (firefighters who could have been in the Scheme) increasing by 20. More retirements were expected and planned for until 2020 when there will be a drop in the numbers.

Opt outs were down by 3 over the 12 month period linked to the phasing of recruitment.

Response times to pension queries were going in the right direction and the average response time was coming down.

Following a change in the SCAPE rate, the calculation of CETVs for divorce cases was on hold. This could result in an increase in response times later in the year.

The Chair asked Clair Alcock if there were any national benchmarking standards. Clair Alcock confirmed that the LGA had never been able to look at the provision across the country and there were no national benchmarking standards.

One case was progressing through IDRPs for retained firefighters that could not be solved in-house but going to Ombudsman.

With regards to IPDR, case had been appealed and was going to the Ombudsman.

Opt out levels and reasons

The position in respect of opt outs had remained stable

Further to an email survey, the Board were informed of the reasons for the opt outs.

The main reason for opt out was affordability.

Some new recruits take a cut in their salary when joining. The salary is £22,000 for a new recruit and the pension contribution on 2015 scheme is higher than they would wish. Anecdotally firefighters opt back in when they are on the full rate of pay.

Paul Gwynn was not aware of Members taking any financial advice before opting out or if they had life insurance cover.

In response to a question from Alan Tranter, Paul Gwynn confirmed that he meets new recruits before they join at an induction day to discuss payroll and pension. The bulk of his presentation is about pensions. The presentation has been amended to show the benefits of joining the scheme. For those Members joining the 2015 Scheme, they would have made their money back within 3 years and the additional benefits of joining the scheme are also stressed. This will continue to be stressed at the next recruitment drive and Paul Gwynn will analyse the response to see if this influences numbers joining and remaining within the scheme.

Alan Tranter was concerned that there may be a lack of understanding at a younger age and those who are slightly older may already have a pension provision.

The Chair said it was good to understand the data regarding exiters and new recruits from a Service point of view.

17 members opted out in the 6 months to October 2018
The average age was 30 with the average length of service 2 years 227 days
Of those choosing to opt out 7 did so within the first three months in service.

It was unusual to see long serving members opt out and there was usually another driver for this decision, other than affordability.

Most Opt Outs were due to a lifestyle change, e.g. buying a house.

The Chair felt it was important that the Members of the Pension Board were comfortable that opt outs had been advised appropriately and given information.

Paul Gwynn confirmed that in most cases the reason for the opt out is to free up cash and the professional advice is not to opt out and signpost members to seek further financial advice.

22/18 FSB Bulletins 13/14

The Bulletins were noted.

23/18 Risk Register as at September 2018

The Risk Register had been updated and names have been added as requested at the previous meeting. The Board agreed to look at the Risk Register in more detail at its next meeting.

24/18 Pension Board Activity Log 2016-18.2

The Board noted the Activity Log and information would be built into future meetings including future training and events.

Paul Gwynn highlighted his recommendation that a Board Member attends the Pensions AGM and Conference and that attendance on the first day is invaluable.

The provisional date for the Conference was stated as 24/25 September 2019. The date of the Conference would be added to the Activity Log.

25/18 Pensions Board Work Programme 2018-19

The Board noted its Work Programme.

26/18 TPR Governance and Administration Survey 2018
Update on completion of Survey

The Survey had been completed before the deadline of the 30 November 2018 and the result would be available in May 2019.

The Board would consider the results at its June 2019 meeting.

27/18 Recruitment Process for New Members

Wendy Browning-Sampson had circulated the process to members for comment. Members were comfortable with the process.

28/18 Pension Board Assessment of Skills

The Chair agreed to work with the Clerk and take stock of the Skills Assessment and discuss in more detail at the next meeting.

29/18 Update on Topical, Legal and Regulatory Issues (verbal)

The GMP Reconciliation process was closed and all queries had been entered into the system. Paul Gwynn was awaiting the output and corrections would be made as required.

Clair Alcock stated that the national approach was to not recover over payments.

The deadline for correction on GMP was 31 December 2018, however this time frame was reliant on HMRC.

The internal deadline for us to submit queries to HMRC was October 2018.

As a result of the GMP process the Chair asked for the number overpaid and the value of these.

Paul Gwynn stated that the Legal Challenge to Transitional Regulations would have a major impact on the work of the Pension Section. The Appeal was expected to be found in the

favour of the FBU. The Home Office will most likely Appeal again and the outcome could take years.

Clair Alcock stated that there would be huge cost impacts if anything had to change but in terms of risk, nothing could be planned or mitigated for.

West Midlands Combined Authority

Assuming the governance transfer takes place on 1 April 2018, it was confirmed that the New Scheme Manager would be the Audit and Risk Assurance Committee (ARAC).

It was agreed to invite the Chair of the Audit and Risk Assurance Committee to the Pension Board following the transfer and for the Chair of the Pension Board to meet the Chair of the ARAC.

30/18 Date of Next meeting

The next meeting of the Pensions Board was scheduled to take place on the 4 March 2018 at 1400 hours.

It was confirmed that Mr Malcolm Eastwood Chair of the SAB would be attending the next Pensions Board with the purpose of meeting the members and answering any questions they may have. Clair suggested that the Board consider areas they wished to discuss with the Chair of SAB.

Wendy Browning Sampson wished to invite HR Colleagues in Region to work collaboratively and to undertake a joint training session. Clair Hey stated that she would be happy to set up and provide a Regional Training session.

31/18 Pension Board Training

The Chair thanked Clair Hay for the training provided to the Board which were reciprocated.

The meeting closed at 1650 hours.

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PENSIONS BOARD

12 December 2018

ACTIONS

Action No.	Action
1.	Names to be used in Minutes
2.	Risk Register to be considered in more detail at 4 th March 2019 meeting
3.	Pension Conference to be added to Activity Log
4.	Members to note the dates of the next Pension Conference on 24/25 September 2019
5.	TPR Governance and Administration Survey 2018 to be discussed at June 2019 meeting
6.	Chair/Clerk to review Skills Grid and consider training requirements
7.	Invitation to be sent to the Chair of WMCA ARAC to meet with Chair of Pension Board
8.	Chair of WMCA ARAC to be invited to Pension Board
9.	Pension Board to consider questions for the meeting with the Chair of SAB on 4 March 2019