

Pension Board

10 September 2019 at Fire Service Headquarters

Attendance: Neil Chamberlain (Chair),
Alan Tranter, Employee Representative
Emmett Robertson, Employee Representative
Wendy Browning Sampson, Employer
Representative
Kal Shoker, Employer Representative
Julie Felton, Employer Representative
Paul Gwynn, Pensions Adviser
Karen Gowreesunker, Clerk to the Authority

The Board welcomed its new Employer Representative,
Julie Felton.

27/19 Apologies

Apologies were received from Adam Harper.

28/19 Minutes of the meeting held on 4 June 2019

The minutes were approved as received as a correct record
of the meeting.

The actions arising from the minutes were discussed.

Karen Gowreesunker, Clerk to the Authority, had been
invited to attend the meeting to discuss the link with the
Scheme Manager and governance arrangements.

It was noted that the Pension Board Minutes are forwarded
to the Audit and Risk Committee. The Clerk had discussed
the Pensions Board with the Chair of the Audit and Risk
Committee, Councillor Miks, who had agreed would attend
the Pension Board on a six-monthly basis and would
hopefully attend the December 2019 meeting.

In respect of the question around a named person as a
Scheme Manager, the Clerk confirmed that currently it was
not appropriate to allocate a named person. The Audit and
Risk Committee are delegated as the Scheme Manager.

Alan Tranter was content with this position as long as there was a point where questions from the Board could be directed.

The Clerk confirmed she would encourage discussions with the Chair of Pensions Board and the Chair of Audit and Risk Committee.

The Board discussed the difference between accountability and responsibility and concluded it was the Chair's responsibility to create a line of communication and not a line of responsibility. It was felt that a richer relationship could be developed between the Chair of Pensions Board and Chair of the Audit and Risk Committee and suggested that the Chair attended Pensions Board at least once a year to be assured of the Pensions Board's work.

The Pensions Adviser re-iterated that the Scheme Manager is the Fire Authority but that this had been delegated to the Audit and Risk Committee. The Audit and Risk Committee's role is to act as a decision making body. The Audit and Risk Committee should have an understanding of the work of the Pensions Board. The Pensions Board's role is to advise that the governance and administration is being managed well.

It was suggested that the Internal Auditor should be invited to attend the Pension Board by exception. The Internal Auditor provides reports on the functions and uses a series of controls. The Internal Audit updates and reports to the Audit and Risk Committee.

The Pension Adviser was asked to provide the Board with a copy of the Internal Auditor's latest report.

29/19 Pension Section Supporting Information

The Board received an update from the Pensions Adviser. There were no major changes since last the meeting.

There had been an increase in the number of opt outs. During the 12 months ending 31 August 2019, 60 members opted out of the Firefighters' Pension Scheme. These were primarily as a result of Auto-enrolment, which had taken place on 1 June 2019.

All firefighters are enrolled into the Scheme upon Recruitment and at Auto Enrolment, which takes place every three years. Auto enrolment was brought forward to 1 June 2019 from 31 August 2019 to avoid difficulties in the event of a transfer of governance taking place on 1st October.

It was confirmed that this was the number of individuals who have opted out within the last 12 months

Kal Shoker to work with Paul Gwynn to provide an indication of the number of leavers and an estimated projection of starters and leavers

The Pension Board wished to be cited on these figures in the future.

Wendy Browning Sampson confirmed that the Service was currently understaffed to meet the Service Delivery Model. Paul Gwynn stated that the pension scheme is unfunded, but each year, together with workforce planning, Paul Gwynn and Carl Guest discuss top up grant forecast for future years, and look at the expectations and predict the number of members, contributions and the number of leavers. The government pay the shortfall.

In response to Alan Tranter's question regarding a ceiling being set by the Treasury. Paul Gwynn stated that they work on predictions and not actuals in January 2019 they paid 80% of the predicted shortfall. This can affect the employers contributions, but the level of income does not drive the figures.

The number of Activity Requests had reduced to the end of August. However, response time had increased, this was due to increasingly complex benefits and also the Annual Benefit Statement going out to meet the 31 August 2019 deadline.

It was noted that the average response time was 75 days. However, 90 is the statutory time limit (three months). The Pensions Team have an obligation to provide one estimate a year.

Pensions accept every request, but may receive three requests from same individual.

Alan Tranter stated the Pensions Team are doing well and Emmett Robertson suggested this was because the West Midlands Fire Service had its own Pensions Team.

It was confirmed that the Annual Benefit Statements have all gone out to all Members with a few returns from deferred members as they had changed address.

Internal Dispute Resolution Procedure (IDRP)

Two further cases had progressed to IDRP since the last Board meeting. Both cases related to the treatment of pay during temporary promotion. In both cases the Members dispute had been rejected. One Member had submitted an appeal, the other had not but was still within time to do so.

The Responsible Officer is Mike Griffiths, Strategic Enabler, Finance and Resources, and the Clerk recommended this role stays with the Treasurer.

Alan Tranter enquired about the likelihood of similar cases being raised again in the future and what the organisations' strategic view was on this.

Paul explained the details of each case and the issues would be revisited once they had been through IDRP.

The organisation's policy of temporary promotions had created some problems.

Paul Gwynn provided further details of the last eight IDPR cases.

2 down to Additional Pension Benefit (APB)

1 to Regulator – scheme info not provided in time frame

1 case advised on point of 30 years

1 case widows benefit

2 cases – retained scheme – in one of which a payment was made to the member

1 Ticked the wrong box

There were no major themes.

Paul Gwynn stated that he would be providing more detailed presentations to Recruits about the pension scheme.

The Scheme Manager (Audit and Risk Committee) had made two decisions since the last meeting. One regarded an application to stop paying additional contributions and this was accepted.

The second related to the canine responsibility allowance being paid to the dog handler and the Scheme Manager had agreed that this allowance was pensionable.

30/19 **RISK REGISTER**

Wendy Browning-Sampson and Paul Gwynn had liaised with the Local Government Association who provided a template Risk Register. This was then modified to suit the West Midlands Fire Service.

Approval was requested for the proposed new Risk Register and Members of the Board were asked to let Wendy have their view.

The Chair suggested that the Pension Board should be made aware of any changes to risks.

Karen Gowreesunker stated that if anything was high level, Kal could feed them into the Corporate Risk Register via the Strategic Enabler (Finance) Treasurer.

Kal Shoker requested that a key and colour coding was added to match with Corporate Risk Register.

Wendy and Paul to look at final Register and Members of the Board to provided feedback by the end of October. The Risk Register would then be agreed and the Board to plan when the Risk Register was going to be reported to the Board.

31/19 **III Health Retirements**

The Boards attention was brought to the Service's approach to ill-health retirements and the fact that there are national requirements.

The Service were looking at ill health retirements at Level 1 and Level 2

Pension Board Members requested further information on ill health retirements and wanted details that the Authority were making the correct payments.

It was confirmed by Wendy Browning-Sampson that reviews are undertaken every three years.

Wendy Browning-Sampson stated that there has been a Freedom of Information about the number of medical reviews that had been reassessed. The request had been minuted and a process would need to be implemented.

It was felt that the Pension Board should be cited on the process and administration information initially so that they could comment back to the organisation.

Paul Gwynn stated that all ill health retirements are reviewed 5 yearly to ensure the member's health is the same.

It was noted that a process is missing but in the wider sense this is not within Pensions Board's remit.

The Service could be under or over paying benefits and Paul Gwynn could produce a list of ill health pensioners.

Neil Chamberlain enquired whether internal audit had picked up on this process and Wendy Browning Sampson said this had happened in 2012.

32/19 Bulletins

The Pensions Board had received Bulletins 20 – 24. The Board's attention was brought to the McCloud Judgment and it was suggested that the Board was want to consider the implications of the remedy and Pensionable Pay Guidance when received in December.

33/19 TPR Governance and Administration Survey

Pension Board had received and considered the local impacts of the Administration and Benchmarking Report.

It was noted that notifications by the Scheme Manager decision's could be received from the Minutes of the Audit and Risk Committee as an agenda item for the Pension Board.

Mr Kal Shoker, Employer Representative, attends the Audit and Risk Committee.

It was agreed that following any decisions made by the Audit and Risk Committee that the Pension Advisor would provide an update as part of his regular reports.

34/19 Public Service Governance and Administration Survey 2018

The Pension Board received the Research Report and were asked for their observations or recommendations.

Emmett Robertson had attended the meeting where the Survey had been discussed and whilst some Brigades had received poor results the West Midlands Pension Board were seen to be performing well and was well thought of.

Malcolm Eastwood, Chair of the SAB had been complimentary about the West Midland's Pension Board when he had visited the Service in March 2019.

Alan Tranter stated he thought there were some contradictions in the report and it was inward looking and although some Boards were not working as effectively as they could, there was encouragement to work with others collaboratively.

35/19eNews From GAD

The Pensions Board received the latest round up of information from the Government Actuary's Department.

It was agreed that the newsletters would be circulated electronically to Members of the Board and that Paul Gwynn would make the Board aware of any potential problems in the future.

Paul Gwynn agreed to clarify the vision or plan for the national portal and provide an update.

Other Pension portals are self-service and allow Members to access benefit statements and access pension projections.

Paul Gwynn stated that the potential is unknown and as an organisation the Fire Service had stayed away from self service. However, when the contract is renewed the new system would have self-serve element.

It was noted from the Administration and Benchmarking survey that one third of Services don't have a self-serve system and also that many are externally provided.

It was expected that the cost of the self-service module would be approximately £10,000.

36/19Conference

Alan Tranter felt it should be the Chair's decision as to which representative of the Pension Board attends the Conference if the Chair is unable to attend.

Adam Harper, Paul Gwynn, and Councillor Miks, Chair of the Audit and Risk Committee would be attending the Conference.

Feedback from the Conference was requested to be provided at the next meeting.

37/19 Regional training – 17 September – Shropshire

Basic Pension Board Training had been arranged to take place at Shropshire Fire and Rescue Headquarters on 17 September 2019 and this was open to all Members. Each Regional Pension Board would be hosting a training session that was open to regional Pension Board members.

38/19 Topical legal regulatory issues

Paul Gwynn stated that he was waiting on next steps in McCloud Judgement and no timeframes were known. However, it was hoped that details would be received before Christmas with a Tribunal possibly at the end of 2020 or 2021.

39/19 Activity Log

The activity log to be updated for the next meeting removing previous year's activities.

40/19 Work Programme

The work programme was noted. The Board wished to factor in training and annual events and requirements.

41/19 Date and Time of Next Meeting

The next meeting of the Board was due to take place in December and the date would be confirmed. The Scheme Manager training would also take place following this meeting.

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Pension Board

10 September 2019

Actions

23	Paul Gwynn to notify the Board of the Internal Auditors Report	
24	Kal Shoker to work with Paul Gwynn to provide an estimated indication of number of leavers, estimated projection of starters and levers	
25	Wendy Browning Sampson and Paul Gwynn to look at final work required on Risk Register	
26	Wendy Browning Sampson requested feedback on the final Risk Register by the end of October 2019	
27	Paul Gwynn/Kal Shoker to report back to Pension Board any relevant decisions made by the Audit and Risk Committee	
28	Paul Gwynn would check GAD enews and flag up potential problems for the future	
29	Activity Log to be updated	