

Pension Board

16 December 2019 at West Midlands Police 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
Observer: Councillor C Miks, Chair,
Audit and Risk Committee
Clair Alcock, Bluelight Senior Pension Adviser

42/19 Apologies

Apologies were received from Adam Harper.

43/19 Minutes of the meeting held on 10 September 2019

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

It was noted that Item 31/19 on page 8 of the agenda pack was incorrect and should read”

“It was confirmed by Wendy Browning-Sampson that reviews are not undertaken every three years.”

The actions arising from the minutes were discussed.

23 The Auditors Report had been circulated.

24 The number of leavers and starters formed part of the supporting information report.

25 The Risk Register was an agenda item for the meeting.

26 Feedback on the Risk Register would also be discussed during the meeting.

27 Feedback from the Audit and Risk Committee would be covered by the report from Paul Gwynn.

28 Paul Gwynn would continue to check GAD news and circulate.

29 The Activity Log had been updated.

The Chair requested that the Action Log be completed before future meetings.

44/19 **Minutes of the Audit and Risk Committee held on 29 July 2019**

The minutes of the Audit and Risk Committee held on 29 July 2019 were received.

45/19 **Minutes of the Audit and Risk Committee held on 2 September 2019**

The minutes of the Audit and Risk Committee held on 2 September 2019 were received. The Committee had made two decisions at their meeting and details would be provided by Paul Gwynn as part of his Supporting Information report.

46/19 **Risk Register March 2019**

The Risk Register had been updated and Members had been requested to comment by the end of October 2019. Kal Shoker requested that the Risk Register should be colour coded to match the Corporate Risk Register as this helps to make items stand out. It was recommended that Wendy Browning Sampson contact Strategic Hub about the Corporate Risk Register.

In light of the recent court ruling on the Transitional Regulations and the how the awaited remedy would impact on the Risk Register.

It was recommended that two further risks be added to the Risk Register:

- Financial Risk of Remedy
- Inability of Administrators to deal with the impact of remedy

47/19 **Pension Section Supporting Information**

The Board received an update from the Pensions Adviser including the Firefighters' Pension Schemes Membership as at 30 November 2019. There had been less retirements subsequent 2015 scheme. There had been an increase in the number of Opt Outs. The cause for the number of Opt outs was generally the cost, but many Opt back in at a later date. The Opt Outs included those who had opted out following auto-enrolment.

In answer to an enquiry from the Chair, Clair Hey confirmed that it was difficult was often the reasons given were hard to understand and each case had a different story and there were not enough patterns. There is usually a trigger for individuals and further reform may cause many more opts out.

It was confirmed that the Payroll and Pensions Team and People Support Services talk to recruits as do the Fire Brigades Union.

Paul Gwynn confirmed that he had emailed half a dozen of those who had opted out and the primary reason for opting out was cost.

Opt Out Levels and Reasons

During the 12 months to 31 August 2019, 72 members opted out of the schemes. Of these 68 were from the 2015 and 4 from the 2006 scheme. 44 of these were members who had been auto-enrolled on 1 June 2019 and had deductions taken in that month.

The remaining 28 members had an average length of service of 2 years at the date of opt out.

83 new recruits were enrolled in the scheme contractually during the year and 10 of those had opted out within 6 months of joining. The remainder continued to be members.

The most popular driver for opt outs appeared to be cost and lifestyle and average age was 36 and in Paul's opinion many are getting married or starting a family. New recruits are informed of the benefits of the scheme, particularly the employers contribution the scheme. It is also explained that they can recover their contributions within 3 – 5 years of starting. The Board discussed the reasons why people leave the scheme.

Predicted Starters and Leavers

The predicted starters and leavers were set out in a table for the years 2019/20 to 2024/25.

	20	19/20	20/21	21/22	22/23	23/24	24/25
Starters		83	77	62	67	62	57
Retirements		71	65	50	55	50	45

There had been 5 IDRP cases, in one case the Authority had purchased additional pension for a member to recognise that there had been poor communication, in a second case the member was allowed to complete a new option form. A further response was awaited in respect of Stage 1 from a third member. Members of the Authority had been asked to hear a Stage 2 hearing and legal advice was awaited in this matter.

Ill Health and Injury Pensioners

The Board were informed that there are 724 Pensions who retired due to incapacity and are in receipt of Ill Health Pension under the rules of the Schemes. Of these 198 also have an injury pension. 6 pensioners receive injury pension but not an ill health pension. 5 of these cases relate to deferred pensioners whose pensions came into payment

early due to ill health. One case is an individual who retired following an on duty injury under the 1966 scheme. A full list of those individuals has been provided to HR managers for review.

It was confirmed that the Service does not review under the 1992 regulations.

1 or 2 are in the 2015 regulations

2 or 3 are in the 2016 regulations

It was confirmed that the rules allow the organisation to review those individuals, on a frequency to be decided by the Scheme Manager, as long as the individuals have been receiving a pension for ten years and are not of an age where they could retire on age grounds.

Paul Gwynn confirmed that the name of 13 individuals, who are receiving ill health pensions, had been passed to Wendy Browning Sampson for consideration. A report would then be prepared for the Audit and Risk Committee for the Scheme Manager to make a decision.

For the individual they would need to see an independent, qualified medical practitioner for a determination on whether they would be able to undertake the work of a firefighter or meaningful work.

This would need to be agreed and reported back to both the Pension Board and Audit and Risk Committee. The Board requested that further information be provided on the costs, the regulations, best practice and the plan for reviews to take place in the future.

Kal Shoker enquired about the 6 pensioners who received an injury pension but not an ill health pension. Paul Gwynn stated that they were retired from deferred status, ill health and potentially injury pension and then retired or left the scheme and subsequently health deteriorates.

Ordinary pensioners not an ill health pension, they may get injury pension on 1966 scheme.

Alan Tranter enquired about GAD. It was confirmed that this had not been updated on the system as it related to retained members and officers do not have the relevant software due to the cost and therefore not worthwhile. There were only 1 or 2 members and they could be picked up individually.

Scheme Manager Decisions

The Scheme Manager had been requested to make two decisions at its meeting on the 2 September 2019.

The first decision was in the case of a member of the 2006 scheme who wished to discontinue the purchase of additional service by periodical payments. The Scheme Manager decided to allow this request.

The Scheme Manager was also asked to determine whether an allowance paid to a member of the Technical Rescue Unit for having responsibility for the unit's dog should be classed as Pensionable Pay. The decision was that the payment was pensionable.

Other Issues

The Employee Representatives would be undertaking a review on behalf of the Board into the application of split pensions.

Data Review and Scoring

Paul Gwynn reported a score of 98% in respect of the latest measurement of common data. The score was based on a local view and had not been calculated using the SAB guidance. Scheme specific data had not been measured. A data review is currently ongoing though no timescales for completion or improvement had been set.

It was noted that a data improvement process was not in place but was a requirement of the Regulator. All of the data for Membership sits within cabinets in the Section and the data is available through systems.

99.5% of the data is complete but cannot be proved and the Board were asked to consider this. It was noted that it would be a large piece of work and was subjective, but in reality this leaves the Scheme Manager vulnerable and the Board needed some assurance that there was a plan regarding the data.

Julie Felton stated that a piece of work was currently being undertaken in respect of Occupational Health documents and suggested that the external company may be able to undertake the work to create a data base and quotes could be obtained, dependent upon budgets.

Paul Gwynn stated this would assist with possible future office moves and agile working in the future.

The Chair of the Audit and Risk Committee was horrified to hear about the files and recommended that the work was undertaken as soon as possible.

Karen Gowreesunker confirmed that a report would need to be prepared for the Audit and Risk Committee setting out the recommendations to the Committee and would the financial implications. It was recommended that Paul Gwynn liaised with Mike Griffiths, Strategic Enabler, Finance and Resources in respect of the preparation of the report.

The Chair felt there were two issues involved:
Manual documents
Accuracy of the data being held

He requested that assurance be given to the Board on these issues and Paul Gwynn agreed to confirm the scheme specific information for the next Board information and then the data storage, a large piece of work, would be commenced.

The Board noted that only two organisations have their own internal pension departments. The Pension and Payroll team were not creating large paper files and had been stripping files out and scanning. There were 2,500 files only.

Salary to be used for Benefit Purposes

Adam Harper had raised a number issues and the Payroll and Pensions Manager would be meeting Adam at Headquarters to review the current process.

The feedback from the Firefighter Pensions Conference was discussed as part of the agenda item on training.

McCloud Judgement – Administration meeting 18 December 2019

The initial meeting to set the timeframes and scope for remedy in the McCloud case was due to take place on 18 December and it was expected that the initial announcement regarding the treatment of members transferred from the 1992 to the 2015 scheme would be made on the 16/17 December 2019.

The impact of the announcement could not be estimated but would probably result in additional work for the Payroll team in January and increased costs to the Service. The Board were asked to consider additional board meetings or to monitor the progress of any work resulting.

Paul was concerned about the remedy and how the ABS would be calculated. There was a major risk that the system would not be able to produce anything which was not ideal unless a solution could be reach. Some outsourced providers had been withdrawn and there was a risk that others would withdraw because of the remedy.

18 December 2019 was a key date and also the January date, however, Clair confirmed that the remedy would not be issued as soon as January. Information would be shared with Senior Management. The remedy would only apply to complainants. This had not happened in previous cases with Police or Judges and this had been escalated to the Home Office.

48/19 **Bulletin 24**

The FPS Bulletin 24 was noted.

49/19 **Bulletin 25**

The FPS Bulletin 25 was noted.

50/19 **Bulletin 26**

The FPS Bulletin 26 was noted. Paul Gwynn requested that Members read the bulletins and to contact him with any queries.

Adam Harper had emailed Paul Gwynn on 19 September and had subsequently held a meeting with Paul and the issues had been addressed in the Pension Section Supporting Information. The three items would be combined into a review to be undertaken by the Employee Representatives on behalf of the Board. The final item was for the Board to consider a definition of what constitutes reasonable endeavours.

Reasonable endeavours related to the efforts made to contact firefighters to provide them with an opportunity to buy some 2015 pension. Letters had been sent to retained firefighters who had been at Sedgley. There had not been a response in the timeframe and but one person had queried this. The person had moved, however, the member was an active wholetime member of the pension scheme. It was accepted that an email could have been sent and the member agreed to buy some 2015 pension.

The Board discussed the issue and it was suggested that a Routine Notice could be sent out reminding people to keep their contact details up to date and it was an individual's responsibility to keep up to date. A portal was suggested and even placing a message on pension slips. However, it was noted that pension slips are not posted due to costs. A reasonable number of active members had email addresses. The problems arose when people had left the service or where they had died and not informed the team of their next of kin. The team also had the advantage of old files and thought that the team went over and above in respect of reasonable endeavours to find someone.

Emmett Robinson felt that the quarterly updates provided covered everything and Kal Shoker stated that the benefit statements provided another method of checking.

It was suggested that Wendy Browning-Sampson and Paul Gwynn come up with a solution to remind members that they have an obligation to keep their records up to case.

Clair Hey stated she would share the details of a case where the Ombudsman had agreed that an Authority following a that had made reasonable endeavours to contact a Member.

It was noted that representatives were being sought to joint the Fire communication Group and Technical Working Group.

51/19 **Times Up for Pension Scammers**

The Board noted The Pensions Regulator's summer 2019 edition of their Regulatory round-up for scheme managers.

52/19 **Governance Administration – Risks public service pensions – The Pensions Regulator**

The return had been submitted and a copy would be added to the TEAM site for reference

53/19 **The Pension Regulator Public Service Governance Survey 2019**

Paul Gwynn, Kal Shoker and Wendy Browning-Sampson had completed the Survey and it was suggested that in future, the TEAM chat should be utilised so that all members of the Pension Board would have access.

The Survey had been signed off by the Chair of the Audit and Risk Committee and it was suggested that the signing of the survey be added to the Audit and Risk Committee Workplan for future years. The Board agreed that Paul Gwynn should forward the survey on their behalf.

54/19 **Training**

Update on Pension Board Training in Shropshire
Feedback from Annual Pensions Conference.

Wendy Browning-Sampson, Julie Felton and Adam Harper had attended the basic pension board training in Shropshire. This was seen as a top up to the training received in December 2018. It had been very useful for the new members of the Board as they had now received the same training as the rest of the Board. It was agreed that notes from the training would be placed in the TEAM documents folder for future reference.

Paul Gwynn had attended both days of the Annual Pension Conference in September 2019. The first day had focused on the role of the Scheme Manager and Councillor Miks, Chair of the Audit and Risk Committee had attended.

The second day had been a more technical event and had been attended by Adam Harper, who had found the event useful. Several relevant issues had been discussed including the outcome of the Benchmarking review and possible national Key Performance Indicators.

Councillor Miks stated that she found the Conference useful, but felt that the timings should be adjusted to earlier in the day.

Emmett Robinson had attended a training event in London and stated this had been a good experience. He had also met with Paul and felt that the general training should be early in the Employee Representatives time of office to achieve the best value from the training.

The dates for future training opportunities and Conferences would be added to the Pension Board Activity log.

55/19 **Pension Board Activity Log 2019/20**

The activity log to be updated for the next meeting.

56/19 **Pension Board Work Programme 2019/20**

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

57/19 **Topical legal regulatory issues**

The Board were informed that the Regulator was taking a greater interest in the public sector. The West Midlands Pension Board had been approached, as it was one of the larger schemes, by The Pension Regulator to visit the Board and meet with the Members and Members of the Audit and Risk Committee. They will be looking at information and providing feedback in the form of a management report early in the New Year. The Board were recommended to look at the Pension Regulators site particularly in respect of Relationship Supervision. Contact would be made early in the New Year and the Chair requested further information for the next Board Meeting. Paul Gwynn agreed to brief the Scheme Manager in January 2020.

In respect of the Court ruling in respect of retained firefighters, Paul Gwynn confirmed that a modified exercise had taken place a number of years ago. The 2006 Scheme would now be modified back to the 2001, and subsequently the Judge had stated there should have not been any restriction to access pension schemes and Members should be allowed to access any pension scheme. The outcome of the court case was expected in January 2020. Halesowen and Bilston had been confirmed as being retained stations. Paul Gwynn had been required to contact everyone to ask them to contact the Pension Team to confirm if they had worked at those stations. There were approximately 15 at each station. It was agreed that Paul Gwynn would report back to the next meeting on the number of people involved, however, it was noted that not all would be found.

The outcome of the McCloud case was awaited and it was intended to publish further details by Friday 20 December and brief the Board at the same time.

Kal Shoker recommended using the retired and serving firefighters facebook page and other forms of social media such as yammer and twitter to contact previously retained firefighters. He also suggested contacting NARF.

58/19 Date and Time of Next Meeting

The next meeting of the Pension Board was scheduled for March 2020. Alan Tranter requested that consideration be given to holding the next Pension Board on the same date as the SAB LPB Pensions Effectiveness Committee on 5 March 2020 in order that members of both groups could meet.

59/19 Training Session

Following the meeting, Members of the Board together with the members of the Audit and Risk Committee received formal Scheme Manager Training.

Julie Connor Strategic Hub 0121 380 6906 Email: Julie.Connor@wmfs.net

Pension Board

16 December 2019

Actions

30	Wendy Browning Sampson to contact Strategic Hub re Risk Register	
31	Risk Register to be colour coded to match Corporate Risk Register	
32	Additional Risks to be added to Risk Register	
33	Report to be prepared for the Audit and Risk Committee on ill health pensions	Draft Prepared
34	Paul Gwynn to liaise with Mike Griffiths re report for Audit and Risk Committee on data base quotes	Completed
35	Paul Gwynn to provide Scheme specific information	In Progress
36	Wendy Browning Sampson and Paul Gwynn to find solution to be remind Members to keep their records up to date	-
37	Governance Administration Return to be added to TEAM site	-
38	Public Service Governance Survey to be sent off and added to the Audit and Risk Work Programme for 2020/21	In Progress
39	Training Documents to be added to TEAMS	WBS – 8 October 2019
40	Paul Gwynn to brief Scheme Manager on Pension Regulator	Complete
41	Paul Gwynn to report on the number of retained members	Verbal update to be provided at next meeting

42	Paul Gwynn to provide an update on the outcome of McCloud Case	Verbal update to be provided at next meeting
43	Activity Log to be updated	Julie Connor has updated