

Minutes of a Meeting of the Pensions Board

6 February 2017 at 1400 hours
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Mr Kal Shoker (Chair)
Ms Wendy Browning-Sampson
Mr Andrew Dennis
Mr Stuart Bourne
Mr Paul Gwynn (Adviser)

Apologies: Mr Neil Chamberlain

1/17 Declarations of Interest

Mr Andrew Dennis declared an interest stating that he is in receipt of a Fire Service Pension.

2/17 Minutes of the Pensions Board held on 11 July 2016 and actions arising

The Minutes were agreed as a correct record.

Actions

Action 1 - Pension Adviser to liaise with another Fire Service regarding sample checking of pension records for deferred members.

Action 2 – The Adviser to publish the link to the Discretions Policy to the Pensions Page on Internet with a link to the Pay Policy Document from Pensions Page

Action 3 – The Adviser had liaised with the Treasurer. A communication to members about the change to the regulations and the decrease in response times due to greater demands for requests for information and staff shortages had not been sent out. It was agreed that a communication would be sent out when the new structure in the Pensions Team comes in place on 1 April 2017.

Action 4 – Mr Shoker to liaise with the Treasurer regarding the conference call to each Chair of a Pension Board (referenced on page 2 of the Scheme Advisory Board document)

3/17 Minutes of the Pension Board held on 25 October 2016

The minutes were agreed as a true record.

4/17 Minutes of the Audit Committee held 14 November 2016

The minutes of the Audit Committee were noted and the resolutions of the Breach of Disclosure Regulations had been actioned. The other actions were to be considered at the Pensions Board meeting.

The Adviser confirmed that the costs related to a self-service system had been previously considered and found to be prohibitive.

5/17 Terms of Reference

Further to Minute No. 51/16 of the Audit Committee of the 14 November 2016 in respect the Breach of the Disclosure Regulations, the Pension Board was requested to consider its Terms of Reference in respect of the reporting of breach of the law to the Pensions Regulator.

The Board agreed that Section 16 of the Terms of Reference should be amended to include breaches of the law that need to be reported to the Pensions Regulator. Members of the Board to formulate a paragraph to be included in the Terms of Reference. This would be shared with the Pensions Board before being included in the updated Terms of Reference.

Section 4 Quorum would also be amended to reflect the arrangements for a Chair of the Board in the absence of the Independent Chair.

6/17 Annual Report

The Members of the Board considered examples of Annual Reports prepared by other Metropolitan Fire Service Pension Boards. The Board agreed that they would present an Annual Report to the Audit Committee on the 5th June 2017 for their consideration and inclusion with the Audit Annual Report to the Annual General Meeting.

A draft Annual Pensions Board Report would be prepared with assistance from the Adviser. The draft Annual Report would be available at the May Pension Board for comments and approval.

7/17 Consideration of Reappointment of Members

WBS reminded the members of the Board, that their three year appointments were due for renewal in 2018. It was agreed that the consideration of the reappointment of Members of the Board would be placed as a standing item on the Agenda of all future Pension Boards until the next round of appointments.

8/17 Correspondence from the Pension Regulator

Correspondence had been received from the Pension Regulator in respect of record keeping and the importance of complete and accurate records.

The Adviser would liaise with another Fire Authorities in respect of sample checking of audit records. Internal Audit had found that accurate record keeping was being undertaken in a recent audit of the Pensions Team. The record-keeping quick guide provided by the Regulator would be used to Review the record-keeping and an update would be provided at the Pension Board scheduled for July 2017.

Mr Shoker confirmed that that External Auditors conducted sample testing and the payment of benefits as part of the end of year audit.

9/17. Legal Duty to Publish Information about the Pension Board

The Board considered further correspondence from the Pension Regulator regarding the legal duty to publish information about their pension boards and keep this information up to date and make sure this information is available to all members.

It was confirmed that all the Pension Board information was held on the West Midlands Fire and Rescue Authority, Committee Management Information System (CMIS) and was available via the wmfs.net website.

The Pension Adviser confirmed that an email was forwarded to all members of the Pension Schemes informing them of the Pension Board and where to find the minutes.

SB suggested that a table-top exercise is undertaken to ensure that members are able to access the information.

10/17 Public Service Governance Survey

The Board considered the Pension Regulator's Public Service Governance Survey 2016. The Survey was completed in September 2016. Each question was considered individually and the answers were found to be appropriate. The Pension Board were comfortable with the survey and agreed to present it to the Scheme Manager at the next scheduled meeting of the Audit Committee.

11/17 Scheme Advisory Board Chair's Update

The Pension Board noted the contents of the Scheme Advisory Board Chair's Update together with the letter from the Minister of State for Policing and the Fire Service.

12/17 Feedback from Annual Pension Conference

Mr Shoker had attended the Annual Pension Conference on behalf of the Independent Chair in October 2016 in London. The Conference was Chaired by the Scheme Advisory Board Chair, Malcolm Eastwood. There were a number of presentations, including one on the GAD case. One of the three workshops at the Conference focussed on the Annual Benefit Statement and it was noted that a number of Authorities had missed the deadline due to software issues.

13/17 Pension Section Update

The Pension Board received an update on the work of the Pension Section from the Adviser.

It was noted there had been 63 age related retirements and 5 ill-health retirements. The opt out were higher than they had been during the last three years. There had been one returnee from a career break. 19 applications had been received to transfer in or out.

The average response time was now four months due to staff shortages. Another member of the team was being recruited to deliver shorter timescales.

Annual Benefit Statements were not issued by 31 August 2016. The reasons for this and a recovery plan were detailed as part of an emergency Pension Board held in October 2016.

The Adviser stated that the 2015 Scheme was based on a retirement age of 60, however members could retire earlier if they had reached the age of 55 or achieved 30 years' service.

The Adviser confirmed that he had received a larger number of divorce quotations, but had not received many retirement estimate requests due to new Scheme.

The Board noted the levels of Opt outs during the period 1 January to 31 December 2016 and the main reason for opting out appeared to be cost, although none of those opting out of the 2015 scheme were new recruits.

14/17 Risk Register

The Pension board received the Risk Register and agreed that the Legal Challenge in respect of the Transitional Regulations should be added as a high risk to the Register.

15/17 Training

Mr Shoker and Mr Bourne had undertaken pension training at Hereford and Worcester Fire Service where a dialogue had taken place with Mr Ian Pollett about Regional Training. This would take the form of one day's training or sandwich courses and would be hosted around the West Midlands area. Any potential areas of training were to be forwarded to Ms Browning-Sampson and this could be condensed into one training session or drip fed through.

16/17 Annual Effectiveness Assessment

It was agreed that the Annual Report would provide an assessment of the effectiveness of the Pension Board.

17/17 Update on Topical, Legal and Regulatory Issues

There were no new issues to be reported.

18/17 Pension Board Activity Log 2016/17

The Pension Board Activity Log was noted.

19/17 Pension Board Work Programme 2016/17

The Pension Board Work Programme was noted

20/17 Date and Time of Next Meeting

The next meeting was scheduled for May 2017 to consider progress on the production of the Annual Benefit Statement with the formal meeting scheduled for July 2017.

PENSIONS BOARD

6 February 2017

ACTIONS

Action No.	Action
1.	Pension Adviser to liaise with another Fire Service regarding sample checking of pension records for deferred members.
2.	The Adviser to publish the link to the Discretions Policy to the Pensions Page on Internet with a link to the Pay Policy Document from Pensions Page
3.	The Adviser had liaised with the Treasurer. A communication to members about the change to the regulations and the decrease in response times due to greater demands for requests for information and staff shortages had not been sent out. It was agreed that a communication would be sent out when the new structure in the Pensions Team comes in place on 1 April 2017.
4.	Mr Shoker to liaise with the Treasurer regarding the conference call to each Chair of a Pension Board (referenced on page 2 of the Scheme Advisory Board document)
5.	Terms of Reference to be updated in respect of breaches of the law that need to be reported to the Pensions Regulator. Members of the Board to formulate a paragraph to be included in the Terms of Reference. This would be shared with the Pensions Board before being included in the updated Terms of Reference.
6.	Section 4 Quorum would also be amended to reflect the arrangements for a Chair of the Board in the absence of the Independent Chair.
7.	A draft Annual Pensions Board Report would be prepared with assistance from the Adviser.
8.	The Pension Board were comfortable with the survey and agreed to present it to the Scheme Manager at the next scheduled meeting of the Audit Committee
9.	Legal Challenge in respect of the Transitional Regulations should be added as a high risk to the Register
10.	Requests for training to be forwarded to Ms Browning Sampson.