

West Midlands Fire and Rescue Authority

Pension Board

**You are summoned to attend the meeting of Pension Board to be held on
Monday, 28 March 2022 at 14:00**

at Digital meeting via Microsoft Teams,

for the purpose of transacting the following business:

Agenda – Public

- | | | |
|----|--|----------------|
| 1 | To receive apologies for absence (if any) | |
| 2 | Minutes of the Previous Pension Board Meeting held on 10 December 2021 | 3 - 10 |
| 3 | Chairs Introductions [10 Minutes] | 11 - 20 |
| 4 | Pension Board Terms of Reference [5 Minutes] | 21 - 26 |
| 5 | Chair's Verbal Update on the Annual Report of the Pensions Board 2021-2022 [10 minutes] | |
| 6 | Risk Register - Annual Review [20 Minutes] | 27 - 30 |
| 7 | Recruitment – Verbal Update [10 Minutes] | |
| 8 | Business as Usual Performance Update [30 Minutes] | 31 - 38 |
| 9 | Pension Board Work Programme 2022-2023 [5 Minutes] | 39 - 44 |
| 10 | Date of next meeting
[To note the date of the next Pension Board Meeting – Friday 10 June 2022 – 2pm] | |

Distribution:

Neil Chamberlain - Independent Chair, Wendy Browning-Sampson - Employer Representative, Julie Felton - Employer Representative, Adam Harper -Scheme Member Representative, Emmett Robertson – Scheme Member Representative, Kal Shoker – Employer Representative, Alan Tranter – Scheme Member Representative

Clerk Name:	Karen Gowreesunker
Clerk Telephone:	0121 380 6678
Clerk Email:	Karen.Gowreesunker@wmfs.net

Agenda prepared by Kirsty Tuffin

Strategic Hub, West Midlands Fire Service

Tel: 0121 380 6906 email: kirsty.tuffin@wmfs.net

This agenda and supporting documents are also available electronically on the West Midlands Fire Service website at www.wmfs.net

Pensions Board

Item 2

10 December at 14:00 hrs by Digital Meeting

Attendance:

Neil Chamberlain (Chair) – West Midlands Police

Employer Representatives:

Julie Felton

Kal Shoker

Councillor Miks (Chair of Audit and Risk Committee)

Employee Representatives:

Adam Harper

Emmett Robertson

Alan Tranter

Officers in attendance:

Karen Gowreesunker - Clerk to the Authority

Phil Fellows - Team Manager Strategy and Risk

Paul Gwynn – Pensions Advisor

Kirsty Tuffin – Democratic Services Officer

1. Apologies

No apologies for absence were received.

Please note: Councillor Miks and Karen Gowreesunker left at 3pm.

2. Declarations of interest

There were no declarations of interest received.

3. Minutes of Pension Board – 08 September 2021

The Chair advised that due to unforeseen circumstances, he had taken an extended period of leave and therefore some actions, as per minutes of the previous meeting, had been outstanding and would be resolved.

Resolved:

1. That the minutes of the Pension Board held on 08 September 2021 be approved as a correct record of proceedings.

4. WMFS Pension Board Workplan

The Chair of the Board presented the WMFS Pension Board Workplan that outlined key areas of planned work for the Board. It was agreed that the following members of the Board would be the lead officer responsible for the following areas of work:

- Risk register administration – Julie Felton
- New system/automation of Process – Kal Shoker
- Business as usual Performance Reports/Improvements – Chair of the Board/Paul Gwynn

The Chair of the Board advised that if members wished to add anything additional to the work plan or wished to lead on one of the key pieces of work to contact Kirsty Tuffin, Democratic Services Officer. It was agreed that the Chair of the Board and Kirsty Tuffin would meet to discuss the reporting frequency of each area of work.

Resolved:

1. That it be agreed that the WMFS Pension Board Workplan be noted.
2. That it be agreed that the following members of the Board would be the lead officer responsible for the following areas of work:
 - Risk register administration – Julie Felton
 - New system/automation of Process – Kal Shoker
 - Business as usual Performance Reports/Improvements – Chair of the Board/Paul Gwynn
3. That it be agreed that the Chair of the Board and Kirsty Tuffin would meet to discuss the reporting frequency of each area of work.

5. Verbal report on Audit and Risk Committee

Kal Shoker, WMFS Finance Manager, advised the Board that the Audit and Risk Committee took place on Monday 6 December whereby the minutes of the Pension Board meeting, held on Monday 06 September, were discussed and noted. He advised that the Committee had been provided with an update on Immediate Detriment and Paul Gwynn would provide an update within his report, as per the Boards agenda pack.

Resolved:

1. That the verbal update on Audit and Risk Committee, be noted.

6. Risk Register

Julie Felton and Alan Tranter presented the Pension Board Risk Register that outlined the key risk areas, categorised/scored against their likelihood to occur and impact that would have.

The Board were advised that the move to the Oracle Cloud system had been a positive move as it provided all electronic copy of records and allowed

pensions to access their own online portal to access payslips and update details. It was agreed that a mitigation column be included in the risk register which would be populated by Julie Felton, with the guidance of the Board.

It was agreed that Alan Tranter and Julie Felton work on the Risk Register, with assistance from Paul Gwynn, focusing upon the risks RAG rated 'red' in 6 weekly Working Group sessions. It was agreed that RAG rated 'red' risks be discussed at every Pension Board meeting, those rated 'amber' be discussed every 6 months and those rated 'green' be discussed annually by the Board. It was agreed that the 6monthly review take place in Septembers Pension Board Meeting, the annual review be conducted in the Pension Board Meetings in March and be included within the Pension Board work plan.

Following discussions on the employee and employer representative, it was agreed that Karen Gowreesunker would correspond with Kamla Devi-Ahir, Business Partner, on the facilitation of an employee representative to the Board. Feedback would be provided to the Chair and Pension Board. The benefits of the involvement of PSS as a member on the Board was highlighted. Emmett Robertson advised that he would be happy to remain a member of the Board until the process of appointment to the Board had been completed. Kirsty Tuffin, Democratic Services Officer, advised the Board that the next meeting had been provisionally scheduled for 28 March 2022.

Resolved:

1. That the update on the risk register be noted.
2. That it be agreed that a mitigation column be included in the risk register which would be populated by Julie Felton, with the guidance of the Board.
3. That it be agreed that Alan Tranter and Julie Felton work on the Risk Register, with assistance from Paul Gwynn focusing upon the risks RAG rated 'red' in 6 weekly Working Group sessions.
4. That it be agreed that RAG rated 'red' risks be discussed at every Pension Board meeting, those rated 'amber' be discussed every 6 months and those rated 'green' be discussed annually by the Board.
5. That it be agreed that the 6monthly review take place in Septembers Pension Board Meeting, the annual review be conducted in the Pension Board Meetings in March and be included within the Pension Board work plan.
6. That it be agreed that Karen Gowreesunker would correspond with Kamla Devi-Ahir, Business Partner, on the facilitation of an employee representative to the Board. Feedback would be provided to the Chair and Pension Board.

7. Pension Section Supporting Information

Paul Gwynn presented the Pension Section Supporting Information report that provided an update on key pension topics including figures on West Midlands

Fire Service Firefighters Pension Scheme Membership, Annual Activity levels and Internal Dispute Resolution Procedure (IDPR).

The Board were advised that the last report had been brought to the Board on 30 November 2020. The numbers in brackets in the following figures were highlighted and reflected the movement between 30 November 2020 – 30 November 2021, as per report:

Active Firefighters	1,389	(-9)
1992 Scheme Members	50	(-47)
2006 Scheme Members	2	(-4)
2015 Scheme Members	1,187	(+52)
Non-Members	150	(-10)
Pensioners	2,213	(+14)
Dependents	425	(+9)

The Board were advised that the number of non-members had slightly increased to 10.8%, indicating a take up of 89% for the scheme. This figure had been slightly higher than the take up for the Local Government Pension Scheme of 86.8% uptake. However, it was highlighted that the figure had risen to 10.8% in 2021 from 8.7% in 2018. It was agreed that Adam Harper and Paul Gwynn would arrange talks for different watches throughout the service throughout March/April 2022. The talks would be focused upon what it meant to be in the 2015 scheme and what the impact (if any) would be on movement.

Following queries on automatic membership, Paul Gwynn advised the Board that all new recruits were automatically enrolled into the scheme and provided an induction session. Every 3 yearly cycle, those who had opted out of the scheme are automatically enrolled back with the option to opt out again. The next 3 yearly cycle would be August 2022. It was agreed that Paul Gwynn would monitor those who decided to opt back out of the scheme following the 3 yearly cycle automatic enrolment and report back to the Board. It was highlighted that should WMFS be moved under the responsibility of the mayor than during that transaction, members would be automatically enrolled into the scheme.

Following concerns on the increased response time for requests, as outlined within the report, Paul Gwynn re-assured Members that as a result of Immediate Detriment, pension estimate requests had increased and had become more complex which had resulted in this change in response time. It was agreed that Paul Gwynn would circulate the monthly data, circulated to Mike Griffiths, Treasurer, to Alan Tranter to monitor the need for it to be added to the Pension Board Risk Register.

The Board were advised that five complaints had been received under the IDPR within the last 12 months, 3 of which had been resolved by the Scheme

Manager. It had been anticipated that the member of 1 of the 5 cases would approach the ombudsman following its rejection at appeal. It was agreed that the number of IDPR cases received, how they were resolved and the timeframe for this would be included in future reports.

The Board were advised that no further progress had been made on the data review/scoring. The new system would be implemented by the end of March 2022 and would provide automated reports. The Scheme would keep up to date data and be scored by The Pensions Regulator (TPR) on how up to date the data held was. Following a query on the move to a new system and a delay in some payments to pensions, Paul Gwynn re-assured the Board that the new system had transferred tax details from the old system however, a small number of pensions had been paid incorrectly as the incorrect tax amount had been deducted. Most cases affected had been paid the correct amount of the same day however, a select few would receive any outstanding amount in January 2022. The Board expressed concerns on the new system and delays to payments and it was agreed that an update be provided at the next Board meeting. It was agreed that if delays to payments occurred as a result of the new system than it would be reported to the regulator.

Resolved:

1. That the Pension Section Supporting Information report be noted.
2. That it be agreed that Adam Harper and Paul Gwynn would arrange talks for different watches throughout the service throughout March/April 2022. The talks would be focused upon what it meant to be in the 2015 scheme and what the impact (if any) would be on movement.
3. That it be agreed that Paul Gwynn would monitor those who decided to opt back out of the scheme following the 3 yearly cycle automatic enrolment and report back to the Board.
4. That it be agreed that the number of IDPR cases received, how they were resolved and the timeframe for this would be included in future reports.
5. That it be agreed that an update on delayed payments, that resulted from the switch to the new system would be provided at the next Board meeting.
6. That it be agreed that if delays to payments occurred as a result of the new system than it would be reported to the regulator.

8. Remedy Update

Paul Gwynn presented the update on remedy and advised the Board that at the last Audit and Risk Committee Meeting the Scheme Manager had approved the recommendation to no longer process new cases. The service had been working with FBU on 15 cases that had already begun that would go through Immediate Detriment. There had been a memorandum of understanding underpinned from the Home Office Guidance and the scheme

could not be discriminatory. The Treasury had advised that any payments made by the service could not be recalled back from the Treasury therefore if the decision had not been made to pause considering new cases there would be a financial impact on the service. Once new guidance had been issued, a decision would be taken back to the Scheme Manager,

Concerns were raised that no review process had been put in place when the recommendation had been agreed and it was agreed that the Chair of the Board would write to Councillor Miks, Chair of the Audit and Risk Committee and Karen Gowreesunker, Clerk of the Authority, to gain an explanation on why the decision had to be made and requesting a review process be put in place.

Resolved:

1. That the remedy update be noted.
2. That it be agreed that the Chair of the Board would write to Councillor Miks, Chair of the Audit and Risk Committee and Karen Gowreesunker, Clerk of the Authority, to gain an explanation on why the decision had to be made and requesting a review process be put in place.

9. Update on Topical, Legal and Regulatory issues (Verbal Report)

Paul Gwynn advised the Board that the service was awaiting the publication of guidance for the retained members affected by the O'Brien case. Once this guidance had been published, all retained Members would be dealt with accordingly. The new 'Cloud Payroll' system would be rolled out over the next 3 months and would include existing payroll details. The pension's administration system had been a separate system available to Members that would generate annual statements for Members and provide up to date quotes of their pension. Assistance would be provided to those who did not have access to technology to ensure they would not be at a disadvantage.

The Board were advised that a small number of members classified as vulnerable or under ill-health would be issued with letters to ensure the service had the most up to date information as to whether they would still be eligible for their pension. A training session with Claire Hey needed to be arranged and it was agreed that this be included within the work plan, once confirmed.

Praise was given for Christiana Jackson who had completed her Chartered Pensions and Payroll qualification and had been awarded for the best placed project.

Resolved:

1. That the update on topical, legal and regulatory issues be noted.

2. That it be agreed that Paul Gwynn arrange training for the Board with Claire Hey and once a date be confirmed, be included within the Pension Board work plan.

The Pension Board meeting ended at 15:47 hrs.

Kirsty Tuffin

Strategic Hub

Kirsty.tuffin@wmfs.net

Minutes of the Audit and Risk Committee

Item 3

6 December 2021 at 12.00 hours

Conducted as a public meeting at Headquarters and digitally via Microsoft Teams

- Present:** Councillor Catherine Miks (Chair), Councillor Padda, Councillor Barrie
- Virtually:** Councillor Miller, Councillor Spence, John Mathews (Internal Audit), Avtar Sohal (Grant Thornton)
- Officers:** Gary Taylor, Mike Griffiths, Satinder Sahota, Kal Shoker, Paul Gwynn, Karen Gowreesunker, Phil Fellows, Stephen Timmington and Kirsty Tuffin.
- Observers:** Alan Tranter and Adam Harper.

43/21 **Apologies for Absence**

Apologies for absence were received from Mr Ager due to technical issues.

44/21 **Declarations of Interest**

There were no declarations of interest registered.

45/21 **Minutes of the Audit and Risk Committee held on 27 September 2021**

Resolved:

1. That the minutes of the previous meeting, held on 27 September 2021, be approved as a correct record of proceedings, subject to Councillor Padda's name be amended.

46/21 **Treasury Management Mid-Year Review 2021-22**

Kal Shoker, Finance Manager, presented the Treasury Management Mid-Year Review 2021-22 report that outlined the performance of the Treasury Management function of the Authority in the current financial year.

The Committee were advised that the Authority approved the strategy for its treasury management in February 2021 and the Authority had been required to produce a mid-year review report

on activities. The 3 key treasury management indicators highlighted were:

1. Capital Expenditure
2. The Authorities Debt
3. The Authorities investment

The Committee were advised that the Authority approved a £7.8m capital programme for the current financial year at its meeting in February 2021. This had been updated and reflected the outturn position and financing decisions for 2020/21. This increased the capital programme to £8.1m, which was reported at the October Authority meeting. The forecast outturn as at 30th September for 2021/22 was £6.8m, a variance of £1.3m.

The main reason for the variance within the capital programme in the current year related to:

- Vehicle Replacement Programme (£0.750m) – delayed purchase of a number of vehicles slipping into 2022/23.
- Roof replacement at Transport Engineering Workshops (£0.500m) had been delayed due to the need to retender.

Kal Shoker advised the Committee that the Authority's total external debt as at 30th September 2021 had been £31.9m of which £29.7m had been in respect of borrowing undertaken with PWLB and the balance £2.2m had been in respect of the Authority's share of the Existing WMCC debt.

As at 30th September 2021 the Authority's investments totalled £57.9m which were invested with Sandwell MBC as part of the treasury management arrangement between them and the Authority.

Interest received on our investments ~~and~~ was based on the average return achieved by Sandwell MBC plus 10 basis points. However, the interest to be received this financial year would be less than the £1m budget, and performance for the year to date was estimated to be £0.050m below budget.

Resolved:

1. That it be agreed that the Treasury Management Mid-Year Review 2021-22 report be noted.

2. That it be agreed that the prudential and treasury indicators be approved.

47/21 **Corporate Risk Report**

Gary Taylor, SIRO – Assistant Chief Fire Officer, presented the Corporate Risk Report that outlined all aspects related to the management of the Authority's Corporate Risks, over a 6month period, covering Quarter 1 and Quarter 2.

The Committee were advised that the service maintained 8 corporate risks, each assigned to a member of the Strategic Enabling Team (SET), as a risk owner, who would be responsible for monitoring and reviewing progress made in managing the risk. Each risk had been categorised and scored against the likelihood that the risk could occur and the impact that would have. The key changes to each highlighted were:

- The risk score for risk 5.2, as per report, had been increased from 9 in quarter 1 to 12 in quarter 2. This increased because the Command-and-Control System, Vision 4, upgrade had been delayed. It had been anticipated that the upgrade would be live by Capita in the new year.
- The risk score for risk 7.1, as per report, had been increased from 6 to 9 for both quarter 1 and 2. The risk had been increased due to a failure in the mobilisation system that resulted in Fire Control to be moved to a second Fire Control unit. A further review and test of the system would take place. Business continuity arrangements had been in place.
- The risk score for risk 4.1, as per report, had been decreased from 6 to 4 converting the confidence level from amber to green for both quarter 1 and 2. The risk had decreased due to increased capacity within the testing team and increased frequency of testing of water hydrants.

The Committee were advised that, as per appendix 2, risk 6.1 (Business Continuity and Preparedness) had been highlighted red due to the impact of possible industrial action by green book workers. A ballot had been circulated to green book members by unions on possible strike action over its pay agreement.

Following queries on the impact of supplies to IT equipment/chip shortages, the Committee were re-assured that although the

service had slowed down the replacement process of equipment, initial software had not been impacted. The management of radios used by the service had been managed centrally so had also not been impacted.

Following the Chair of the Committee query on the move to a new system and a delay in some payments to pensions, Paul Gwynn, Payroll and Pensions Manager, re-assured the Committee that the new system had transferred tax details from the old system however, a small number of pensions had been paid incorrectly as the incorrect tax amount had been deducted. The majority of cases affected had been paid the correct amount of the same day however, a select few would receive any outstanding amount in January 2022.

Resolved:

1. That it be agreed that the Corporate Risk Summaries for Quarter 1 and Quarter 2, be approved.
2. That it be agreed that the management of corporate risk through and emerged from the business continuity arrangements be noted.

48/21 **Vacant Residential Properties Update**

Mike Griffiths, (WMFS) Section 151 Officer, presented the Vacant Residential Properties update report that provided the Committee with an update on the current position related to vacant residential properties.

The Committee were advised that across the following sites, there were 17 vacant properties:

- Kings Norton – 6 flats (currently being sold), 4 houses
- Perry Barr – 6 houses
- Bloxwich – 2 first floor apartments
- Erdington – 5 flats

With reference to diagram pictures, as per report, each location and surrounding area were explained to the Committee.

Discussions had been held with property agents for each site, with the exception of the vacant flats in Kings Norton that were in the process of disposal. Feedback from the property agents outlined to the Committee were:

- Kings Norton – sale of the houses would not be viable due to access/parking/security. Letting of the properties would be viable if the properties were refurbished. However, the estimated cost of refurbishment would be £120k and so the draw on the Authority's limited capital resources and on management resources required to manage such an arrangement made this option unattractive.
- Perry Barr – sale of houses was not recommended due to location of dwellings. Letting of the properties would be viable if the properties would be refurbished. However, the estimated cost of refurbishment would be £300k and so the draw on the Authority's limited capital resources and on management resources required to manage such an arrangement made this option unattractive.
- Bloxwich – sale of the houses would not be viable due to the flying freehold. Letting of the properties would not be viable due to access, parking and lack of security.
- Erdington – The sale or letting of the properties would not be viable due to location, access and lack of security.

Following queries on the secured tenants at the Kings Norton site and the use of the area the committee were advised that if residents of the other 7 properties in the area wished to move, appropriate housing would need to be provided to them and further opportunities for the site could be investigated. It was agreed that Mike Griffiths would contact the secure tenants regarding potential relocation, if it was deemed appropriate.

The Committee were advised that planning permission had been obtained to separate the houses on the Perry Barr Station site away from the station and provide access to the rear. However, the Housing Association at the rear of the station had refused consent for vehicular access for the properties. It was agreed that the Chair of the Committee and Mike Griffiths would discuss the options the authority had following the Housing Associations refusal for vehicle access. It was agreed that an update on the vacant properties be brought to a future Audit and Risk Committee.

Resolved:

1. That it be agreed that the Vacant Residential Properties Update report be noted.
2. That it be agreed that the Chair of the Committee and Mike Griffiths would discuss the options the Authority had following the Housing Associations refusal for vehicle access to the properties in Perry Barr.
3. That it be agreed that Mike Griffiths would contact the secure tenants at the Kings Norton Station site regarding potential relocation, if it was deemed appropriate.
4. That it be agreed that an update on the vacant properties be brought to a future Audit and Risk Committee.

49/21 **Whistleblowing and RIPA 2019-2020 & 2021-22**

Satinder Sahota, Monitoring Officer, presented the Whistleblowing and RIPA 2019-2020 & 2021-22 report that outlined (if any) whistleblowing allegations reported through the Whistle Blowing Policy for the periods 1 April 2019-31 March 2020 and 1 April 2020 – 31 March 2021.

The Committee were advised that between the period of 1 April 2019-31 March 2020, no whistleblowing allegations were received. Between the 1 April 2020 – 31 March 2021, 1 case had been received that resulted in a formal investigation. This case had now been resolved and all relevant parties had been made aware of the resolution. During both periods, no requests had been made to commence a RIPA authorisation under the Regulation of Investigatory Powers Act 2000 by the service.

Resolved:

1. That it be agreed that during the period of 1 April 2019 – 31 March 2020 no whistleblowing allegations were reported through the Whistle Blowing Policy, be noted.
2. That it be agreed that during the period of 1 April 2020 – 31 March 2021, 1 whistleblowing allegation had been reported through the Whistle Blowing Policy, be noted.
3. That it be agreed that during both periods, no requests had been made to commence a RIPA authorisation under the Regulation of Investigatory Powers Act 2000 by the service, be noted.

4. That it be agreed that the content of the Whistle Blowing Standing Order 2/20 (appendix 1) and the Management of Information Framework, Standing Order 1/5 (appendix 2), be noted.

50/21 **Internal Audit Progress Report**

John Mathews, internal auditor, presented the Internal Audit Progress Report that outlined the issues raised from the work undertaken by internal audit so far in the current financial year.

The Committee were advised that, as per issues arising within appendix 1, since the publication of the report, the outstanding action plan for environmental targets had been received. The final report had been issued and the service had been in a good position for its environmental Protection targets. A key member of staff responsible for implementing the actions had left the Service therefore, internal auditors would follow up on the agreed actions as part of the 2022-23 Internal Audit Plan. Re-assurance was provided that an absence process had been in place that focused upon individual efficiency and ensuring that members of staff return to work safely. It was agreed that information be brought to Committee on the member of staff who left and the delay this had caused in the delivery of actions. The Management of fuel could be marked off.

The Committee were advised that a training session on Fraud Awareness would be provided in March 2022.

Resolved:

1. That it be agreed that the Internal Audit Progress Report be noted.
2. That it be agreed that information be brought to Committee on the member of staff who left and the delay this had caused in the delivery of actions.

51/21 **Pension Board Minutes – 8 September 2021**

Kal Shoker provided an overview of the Pension Board Minutes for the meeting that took place on 8 September 2021, highlighting sections on Remedy.

Resolved:

1. That it be agreed that the Pension Board Minutes – 8 September be noted.

52/21 **Update on Topical, Legal and Regulatory Issues (Verbal Report)**

Paul Gwynn, Payroll and Pensions Manager, provided a verbal update to Members of the Committee on the position with Immediate Detriment. The Committee were advised that since the last Audit and Risk Committee that took place on 27 September 2021, the Home Office guidance on Immediate Detriment had been withdrawn, with immediate effect.

The Committee were advised that as a result of this withdrawal there would be a risk to the Service both legally and financially if it continued with its current approach. It was hoped that guidance would be issued from the Local Government Association and National Fire Chief Council (NFCC) the week commencing 13 December 2021. Following the withdrawal of the Home Office Guidance, the service had sought legal advice, corresponded with other Fire Services and the NFCC and recommended to Committee that the Authority:

1. Pause and review the criteria for processing Immediate Detriment affected pension claims. For clarity, this meant not agreeing to settle any new retirement notifications in line with the previously agreed guidance from Audit and Risk Committee. This pause would allow the Authority to consider:
 - Pending legal advice from the LGA (Local Government Association) and NFCC (National Fire Chief Council).
 - Any further guidance from the Home Office and/or the Treasury.
2. Continue to process any current retirements in line with the agreed process at the time. For clarity, this meant all

pension claims that are currently being processed (including current retrospective claims).

3. Not process any new retrospective retirement pension claims related to Immediate Detriment until point 1 above is resolved.

Satinder Sahota, Monitoring Officer for the Authority, advised that the service needed to identify the scope on potential legal challenges that could be received. It was agreed that Satinder Sahota would work with Members of the finance team to identify (if any) the tax implications associated with the above recommendation.

Resolved:

1. That it be agreed that the following recommendation be agreed:
 1. Pause and review the criteria for processing Immediate Detriment affected pension claims. For clarity, this meant not agreeing to settle any new retirement notifications in line with the previously agreed guidance from Audit and Risk Committee. This pause would allow the Authority to consider:
 - a. Pending legal advice from the LGA (Local Government Association) and NFCC (National Fire Chief Council).
 - b. Any further guidance from the Home Office and/or the Treasury.
 2. Continue to process any current retirements in line with the agreed process at the time. For clarity, this meant all pension claims that are currently being processed (including current retrospective claims).
 3. Not process any new retrospective retirement pension claims related to Immediate Detriment until point 1 above is resolved.
2. That it be agreed that Satinder Sahota would work with Members of the finance team to identify (if any) the tax implications associated with the above recommendation.

53/21 **Audit and Risk Committee Work Plan 2021-2022**

Karen Gowreesunker presented the Audit and Risk Committee Work Plan for 2021-2022 that outlined the planned agenda items for future scheduled Audit and Risk Committee meetings.

The Committee were advised that following the cancellation of October's meeting, items had been moved forward on the work plan accordingly. It was agreed that John Mathews would advise Members of the Committee as to whether the Fraud Awareness training session delivered by an external company would be conducted virtually in March 2022.

Resolved:

1. That it be agreed that the Audit and Risk Committee Work Plan 2021-2022 be noted.
2. That it be agreed that John Mathews would advise Members as to whether the Fraud Awareness training session, due to take place in March 2022, delivered by an external company, would be conducted virtually.

The meeting closed at 13:40 hours.

Kirsty Tuffin Strategic Hub 0121 380 6906 Kirsty.tuffin@wmfs.net

**Terms of Reference for the Pension Board
of the West Midlands Fire & Rescue Authority**

Item 4

Terms of Reference and Delegated Authorities

Introduction

This document outlines the terms of reference for the local Pension Board of the West Midlands Fire & Rescue Authority.

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 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 Member of the Pension Board

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

The Fire Service 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

Service will appoint through election or selection with the rules of governing the process. The Fire Authority has an independent chair who will chair the Pension Board meetings, this role will be an independent role.

The Pension Board shall consist of 7 members and be constituted as follows:-

- i) 3 employer representatives, which have been identified, and appointed
- ii) 3 scheme member representatives, which have been identified, and elected and of which one should be a retired member
- iii) 1 independent chair selected.

Scheme member and employer representatives shall be appointed in equal number and shall together form the majority of the Board's membership.

The Chair of the Pension Board will be determined by the Scheme Manager. 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 determined by the Scheme Manager.

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 and/or election.

Each Board Member should endeavour to attend all Board meetings during the year and is required to attend at least 2 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 removal of the independent member requires the consent of the Scheme Manager.

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 representative, 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 Independent Chair, a Chair person will be selected on a rotational basis between the scheme member and employer representatives.

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

Conflicts of Interest

The policy for identifying conflicts of interest is set out in a separate policy document. Any conflicts of interest that would prevent you from carrying out the role effectively will need to be highlighted to the Service.

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.

Advisers to the Board

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

- A Governance Adviser.
- The Fund's Actuary.
- The Fund's Administrator.
- The Scheme Manager.
- Other advisers, so approved by the Scheme Manager.

The Board shall ensure that the performance of the advisers 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 are therefore required to maintain a written record of relevant training and development.

Pension Board members 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 four Pension Board meetings a year to be held quarterly monthly. The minutes of the Pension Board will be approved by the Scheme Manager and shared with pension scheme members.

Remit of the Board

The Pension Board must assist the Scheme Manager with such other matters as the Scheme regulations may specify. It is for Scheme regulations and the Scheme Manager to determine precisely what the Pension Board's role entails.

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 and embodied in their 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. The Independent Chair of the Pension Board will not have voting rights.

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.
- Who each individual Pension Board member represents.
- 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 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" or 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.

"Chair" Reference to duties to be performed, or
authorise exercised, by the Chair.

"Scheme" Means the Firefighters' Pension Schemes.

"West Midlands Fire & Means the West Midlands Fire & Rescue
Rescue Authority"

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.

West Midlands Fire Service Pension Board Risk Register**Updated 14/3/2022**

Reviewed under agenda item 6 at meeting on 10th December 2021

Next review due:

Risk Area - OPERATIONS	Likelihood	Impact	Score	Change from previous review	Control	Owner	Assigned to	Test/Review	Mitigation	Comments
1. Operational disaster (i.e. flood/fire)	1	4	4	↔	Pension records stored electronically/via a server and not yet on the cloud. Data backed up regularly	Pension Provider (may be Scheme Manager)	Pensions Manager	Annual		Business continuity and safety/security of records is part of the role of the pension administration provider
2. Member data incomplete or inaccurate	3	3	9	↔	Annual reconciliation of member data to ensure accuracy and resolve any gaps	Scheme Manager	Pensions Manager	Annual	Data to be checked as part of the annual ToR return. Results will be reported to the Pension Board	Currently, checks are completed in preparation for annual returns. Meeting 30/3/2021. Risk to be reviewed over next 6 months. Impact may need to increase due to being reportable. Agreed 'Impact' adjusted to 3.
					Address data cleanse completed annually	Pension Provider	Pensions Manager	Annual	Incorrect addresses investigated using a tracing agency	
					Robust payroll processes in place	Scheme Manager	Pensions Manager	Annual	To ensure accuracy of data sent to pension section	
3.a Administration Failure/Mal-administration	3	2	6	↔	All staff in Payroll and Pensions section are managed through organisational policies and process	Scheme Manager	Pensions Manager	Quarterly	Internal procedures are reviewed and audited annually as part of the normal audit cycle.	
3b. Recommendation to remove					Authority Levels and signatory lists clearly documented and up to date	Scheme Manager/Provider		When there is a change in staff or policy	This forms part of the annual review of the Pay Policy statement.	14/3/2022. Signatory lists no longer in place further to move to Oracle where permissions are set as part of the authorisation process
3c.					Review audit reports	Scheme Manager	Pensions Manager	Annual	Normal monthly payroll processing arrangements cover this issue.	
4. Computer system failure at pay date	1	4	4	↔	Pay the previous month pension from the file with adjustments for death or part period payments. If notification that system will not be available or when upgrade is going through at compliance date. Trial pay run can be used as actual if testing fails	Scheme Manager	Pensions Manager	Annual	Covered within the services Business Continuity Plan	
5. Failure to process BACS	2	4	8	↔	Internal process for ensuring that BACS has been sent.	Pension Provider	Pensions Manager	Annual	Controlled by the normal processing procedures and reviewed annually by Internal Audit	14/03/2021. BACS system to be run in-house wef end March 2022. Intention to reduce risk to 4 if all goes well
6. Payment made to ineligible pensioner	3	3	9	↑	Annual certificate of identity process in place.	Pension Provider	Pensions Manager	Annual	Risk has been raised with SET Finance and Resources and new procedure to be implemented from October 2021	14/3/2022. Increase in likelihood and impact from 1 and 1. Work not yet complete
7. Fraud in Payroll office.	1	2	2	↓	Reconciliation with report from payroll system and excel spreadsheet balance each month	Strategic Enabler - Resources	Pensions Manager	Annual	Part of the services Financial controls. Subject to annual review by Internal Audit.	
8. Insufficient resource to enable function to meet requirements of Pension Regulator	2	2	4	↔	Structure and staffing of function under review	Strategic Enabler - Resources	Pensions Manager	As and when regulator requirements change	Issues reviewed by SET Finance and Resources as part of monthly meeting with Payroll and Pensions Manager and internal KPI's	14/3/2022 currently stable - review in hand.

9. Failure to produce Annual Benefit Statement	1	3	3	↔	Report to TPR. Keep scheme members and pension board informed of issue.	Scheme Manager	Pensions Manager	May - annually	Progress reported by Payroll and Pensions Manager to Employer Rep and monitored by board at regular intervals as agreed at first meeting of each year.	14/3/2022. New system will reduce risk, with online delivery through a portal
10. Successful legal challenge to scheme Recommend to remove	3	4	12	↑					Attendance at National Forums by members of the Pensions team to ensure that the service is fully informed and trained on emerging issues at the earliest opportunity.	14/03/2022
11. Application of remedy (McCloud)	4	4	16	↑	Data, Governance, People and Systems	To be determined	Pensions Manager	Ongoing	Ensure requisite numbers of skilled staff are available and that IT systems have been updated.	14/03/2022. Move to amber - length of time for application of remedy. October 2023 is date - delivery may be an issue. Move to 4 x 4. Discussion at Pension Board until October 2023. Audit and Risk requesting update each time they meet.
12. Failure to complete reconciliation of GMP records to HMRC. Recommend to remove	1	1	1	↔	Ensure appropriate level of resource deployed	Strategic Enabler - Resources	Pensions Manager			14/3/2022. Complete
13. Fraud/ Fraudulent behaviour. Recommend to remove	1	1	1	↔		Strategic Enabler - Resources	Pensions Manager		Annual Audit	14/3/2022. Covered under 7.
14. Costs incurred due to failure to apply scheme/tax rules correctly or in a timely manner	1	3	3	↔	Keep up to date with changes Attend regional meetings Subscribe to knowledge hub Subscribe to HMRC pension tax updates Pension board involvement Access professional advice before proceeding	Strategic Enabler - Resources (151 Officer)	Pensions Manager		Annual Audit	
15. Failure to deduct correct contributions from pay. Recommend to remove	1	1	1	↔		Pension Provider	Pension Manager		Annual audit	14/03/2022. New system automatically calculates contributions - no longer manual task. System failure covered
16. Failure of employer to pay contributions to the scheme. Recommend to remove	1	1	1	↔	Pension deductions are accounted for by the FRA and therefore contributions are deducted directly from employee pay and accounted for in the pension fund account.	Strategic Enabler - Resources (151 Officer)	Finance	Monthly		Monthly checks are conducted on this by the Finance team. 14/3/2022. No benefit of having on this specific risk register
17. Failure to manage FPS fund correctly i.e. injury pension accounting	1	2	2	↔	Training – Guidance Fire Finance network links	Strategic Enabler - Resources (151 Officer)	Finance		Annual Audit	
18. Failure to interpret rules or legislation correctly	3	2	6	↑	Central LGA resource and regional / national groups to assist with interpretation of rules and possible provision of legal opinion where this has been sought – with the caveat that each FRA should take own legal advice. Technical team of pension provider. Access to knowledge hub and HMRC pension tax updates. Training. Access professional legal / tax advice where necessary	Scheme Manager			Monthly management meeting between Payroll and Pensions Manager and SET Finance and Resources. Annual Audit	14/3/2022. Likelihood increase from 2 to 3 due to amount of legislation changes and their interpretation
19. Failure to comply with disclosure requirements or communicate with staff	3	2	6	↑	IDRP process Communications with staff	Scheme Manager	Pensions Manager		Reports to Pension Board. Risk	14/3/2022. Likelihood increase from 2 to 3 (linked to 18)

					ABS HR processes in place for auto-enrolment and annual pension band changes mail merges					
20. Pension Board Resourcing/Succession Planning. Added	4	3	12		Discussion point at meeting on 28th March 2022. Employer(WBS) and employee (ER) positions to be filled.	Clerk to the Authority	Chair	As and when identified		14/3/2022. Meeting on 28th March 2022 will be the second time this position has not been represented.
21. Application of remedy (O'Brien). Added 14/3/2022					Discussion point at meeting on 28th March 2022					

Legend

Risk Score 1 - 4
Risk Score 5 - 9
Risk Score 10 -16

No change in risk from last review
Increase in risk from last review
Decrease in risk from last review

West Midlands Fire Service

Pension Board

28th March 2022

1. Basic Demographics
2. Activity Levels and performance
3. Internal Dispute Resolution Procedure
4. Questions



Basic Demographics (as at 25th March 2022)

- Active Firefighters 1,392
- 1992 Members 40
- 2006 Members 1
- 2015 Members 1,219
- Non-Members 132
- Pensioners 2,205
- Dependants 428

Activity levels

Item	March 2022	01/04/21 to 31/03/22	01/04/20 to 31/03/21
Age Retirements	17	79	63
Transfers to other Brigades	0	2	3
Transfer Applications	0	17	21
Request for estimate of benefits	1	56	74
Divorce cases	0	13	24
General Information	0	9	28

Average response times (Days)

Item	March 22	01/04/21 to 31/03/22	01/04/20 to 31/03/21
Request for estimate of benefits	0	88	37
Divorce cases	0	33	31
General Information	0	124	30

Internal Dispute Resolution Procedure

- Seven Cases submitted and responded to by Strategic Enabler for Finance
- One case may be progressed to Pension Ombudsman
- Three cases resolved by Scheme Manager following intervention by Chief Fire Officer
- Two ongoing cases re McCloud

Question Time

WEST MIDLANDS FIRE AND RESCUE AUTHORITY
Pension Board
Work Programme 2022-2023

Date of Meeting	Item	Responsible Officer	Completed
2022			
28 March 2022	Minutes of Pension Board – 10 December 2021	Democratic Services Officer	
	Chairs Introductions	Chair, Pensions Board	
	Pension Board - Terms of Reference	Democratic Services Officer	
	Verbal Update on the Annual Report of the Pension Board 2021-2022 – Draft	Chair, Pensions Board	
	Risk Register Update (Annual Review)	Julie Felton	
	Recruitment – Verbal Update	Paul Gwynn	
	Business as Usual Performance Reports/Improvements	Chair, Pensions Board/Paul Gwynn	
	Pension Board Work Programme 2022-2023	Democratic Services Officer	
	Date of next Pension Board Meeting	Democratic Services Officer	
June 2022 – TBC	Chairs Introductions	Chair, Pensions Board	
	Annual Benefit Statements Update	Paul Gwynn	

	Annual Report of the Pension Board 2021-2022 – Final	Chair, Pensions Board	
	Risk Register Update (Red RAG rated items)	Julie Felton	
	Update on Topical, Legal and Regulatory Issues	Kal Shoker/ PSS replacement	
	Recruitment Update	PSS replacement	
	New System/Automation of Process	Kal Shoker	
	Business as Usual Performance Reports/Improvements	Chair, Pensions Board/Paul Gwynn	
	Technical Updates	TBC	
	Board Training Requirements	TBC	
	Review of the Pension Board Terms of Reference	Democratic Services Officer	
	Minutes of Pension Board – 28 March	Democratic Services Officer	
20 September 2022	Pension Board Work Programme 2022-2023	Democratic Services Officer	
	Chairs Introductions	Chair, Pensions Board	
	Annual Benefit Statements Update	Paul Gwynn	

	Review of the Pension Board Terms of Reference	Democratic Services Officer	
	Risk Register Update (6 Monthly Review)	Julie Felton	
	Annual LGA Training?	PSS replacement	
	Update on Topical, Legal and Regulatory Issues	Kal Shoker/ PSS replacement	
	New System/Automation of Process	Kal Shoker	
	Business as Usual Performance Reports/Improvements	Chair, Pensions Board/Paul Gwynn	
	Technical Updates	TBC	
	Board Training Requirements	TBC	
	Minutes of Pension Board – TBC	Democratic Services Officer	
	Pension Board Work Programme 2022-2023	Democratic Services Officer	
8 December 2022	Chairs Introductions	Chair, Pensions Board	
	Update on Topical, Legal and Regulatory Issues	Kal Shoker/ PSS replacement	
	Risk Register Update (Red RAG rated items)	Julie Felton	
	Board Training Requirements	New PSS replacement with assistance from employee reps	
	New System/Automation of Process	Kal Shoker	

	Business as Usual Performance Reports/Improvements	Chair, Pensions Board/Paul Gwynn	
	Technical Updates	TBC	
	Board Training Requirements	TBC	
	Minutes of Pension Board – 20 September	Democratic Services Officer	
	Pension Board Work Programme 2022-2023	Democratic Services Officer	
2023			
March 2023 – TBC	Chairs Introductions	Chair, Pensions Board	
	Annual Report of the Pension Board 2022-2023 – Draft	Chair, Pensions Board	
	Risk Register Update (Annual Review)	Julie Felton	
	Update on Topical, Legal and Regulatory Issues	Kal Shoker/ PSS replacement	
	New System/Automation of Process	Kal Shoker	
	Business as Usual Performance Reports/Improvements	Chair, Pensions Board/Paul Gwynn	
	Technical Updates	TBC	
	Board Training Requirements	TBC	

	Review of the Pension Board Terms of Reference	Democratic Services Officer	
	Minutes of Pension Board – TBC	Democratic Services Officer	
	Pension Board Work Programme 2022-2023	Democratic Services Officer	
June 2023 – TBC	Chairs Introductions	Chair, Pensions Board	
	Annual Report of the Pension Board 2022-2023 – Final	Chair, Pensions Board	
	Risk Register Update (Red RAG rated items)	Julie Felton	
	Annual Benefit Statements	Paul Gwynn	
	Update on Topical, Legal and Regulatory Issues	Kal Shoker/ PSS replacement	
	New System/Automation of Process	Kal Shoker	
	Business as Usual Performance Reports/Improvements	Chair, Pensions Board/Paul Gwynn	
	Technical Updates	TBC	
	Board Training Requirements	TBC	
	Review of the Pension Board Terms of Reference	Democratic Services Officer	
	Minutes of Pension Board – TBC	Democratic Services Officer	
	Pension Board Work Programme 2022-2023	Democratic Services Officer	

