

Pensions Board

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