

West Midlands Fire and Rescue Authority

Pension Board

You are summoned to attend the meeting of Pension Board to be held on
Friday, 10 December 2021 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 Declarations of interests
- 3 Minutes of the Pension Board held on 8 September 2021 **3 - 6**
- 4 WMFS Pension Board Workplan **7 - 8**
- 5 Verbal update on Audit and Risk Committee
- 6 Risk Register
- 7 Pension Section Supporting Information **9 - 12**
- 8 Remedy Update
- 9 Update on Topical, Legal and Regulatory Issues (Verbal Report).

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

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

Pensions Board

Item 3

08 September at 09:00 hrs by Digital Meeting

Attendance:

Neil Chamberlain (Chair) – West Midlands Police

Employer Representatives:

Wendy Browning-Sampson

Julie Felton

Kal Shoker

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

Apologies were received from Councillor Catherine Miks, Chair of the Fire Authority Audit and Risk Committee.

2. Minutes of Pension Board – 09 June 2021

The Chair advised, with reference to item 9 of the previous minutes, that although a face-to-face meeting had been agreed for the 8 September 2021 meeting, the rise in Covid-19 cases had prevented this from happening.

It was agreed that the Board development session, as per item 3, would be re-scheduled to take place in November 2021. Wendy Browning-Sampson advised of her potential retirement before year end and of the requirement of the Service to appoint an Employer representative replacement in that instance. She suggested that the new representative be invited to the session should they be appointed in the meantime. In advance of a formal announcement, the Chair and Members extended their best wishes to Wendy for the future and thanked her for the support she had provided.

Following discussions, as per item 3 and supplemented by confirmation from the Chair of recent Audit and Risk Committee approval, it was agreed that membership would be extended for the following Board Members, with the provision that a letter

be circulated to Members advising them of the potential membership extension and no concerns be raised:

- Alan Tranter and Adam Harper, until March 2023.
- Emmett Robertson, until March 2022 having expressed to limit the period of his service on the Board.

Resolved:

1. That the minutes of the Pension Board held on 9 June 2021 be approved as a correct record of proceedings.
2. That it be agreed that the Board development session be re-scheduled to take place in November 2021.
3. That it be agreed membership be extended for the following Board Members, with the provision that a letter be circulated to Members advising them of the potential membership extension and no concerns be raised:
 - Alan Tranter and Adam Harper, until March 2023.
 - Emmett Robertson, until March 2022.
4. That the process for recruitment of the Employer representative be determined by the Statutory Officers of the Service and confirmed to the Board.

3. Chair's verbal report on Audit and Risk Committee – 19 July 2021

The Chair advised the Board that the Audit and Risk Committee had considered the composition of the Board and acknowledged its strength of commitment and advice during its response to the Covid-19 pandemic. The Board had been perceived as challenging the Committee in a constructive manner, enabling an assurance to its decision-making role as Scheme Manager. The Chair of Audit and Risk Committee had recognised the need for increased liaison with the Pension Board moving forward; the need for the Audit and Risk Committee and Pension Boards management of risk to be integrated was highlighted. Board Members were made aware that a revised report on Immediate Detriment would be considered at the next Audit and Risk Committee, due to take place on Monday 27 September.

Resolved:

1. That the Chairs verbal update on Audit and Risk Committee – 19 July 2021, be noted.

4. Remedy

Upon request of the Board, Paul Gwynn re-affirmed of the proposed timescales to progress resolution of Remedy. In addition, he advised of an Immediate Detriment – Contributions Holiday report, due to be taken to Audit and Risk Committee on Monday 27 September. The recommendations of the report would seek Scheme Manager approval to reverse their decision at the Committee held on 19 July 2021, specifically that the 10th June 2021 Home Office guidance is not followed for cases where a member is eligible for a “contribution holiday” under the rules of the 1992 Scheme and relevant cases are to be treated in the same way as they were prior to the updated guidance issued on 10th June 2021. The Board were re-assured that the decision to potentially reverse the decision had been a result of the possible impact it may have on individuals and other Fire and Rescue Service not seeking to apply the updated guidance.

The provision of Annual Benefits Statements was discussed. Statements to all Active Members had been published to the deadline set, however there were approximately 150 Deferred Members who were not in receipt due to an administrative oversight and resourcing capacity. It was agreed that Paul Gwynn would email Pension Board members to advise of the completion of Annual Benefit Statements being circulated to deferred Members. Paul Gwynn was requested to report the failure to complete circulation of statements to the Pension Regulator on behalf of Pension Board. The Chair requested receipt of an email to confirm completion of statement provision and reporting to Regulator. The Board were reassured that in 2022 Annual Benefits Statements would be issued online and online estimates would be provided to Pension Scheme Members to prevent a delay in statements being in the future. Funding had also been provided by the Government, some of which had been used to employ a fourth Member to the Pensions Team to help deal with the impact of Remedy and the additional resources this would require. It was agreed that a status report be provided at the next Pension Board meeting outlining the controls put in place to prevent failings taking place in the future and key data on the Annual Benefit Statements to Deferred Members.

It was agreed that the Chair would meet with Mike Griffiths in the upcoming weeks to discuss all points raised by Pension Board members regarding Remedy and look to develop a plan to present at a future Pension Board meeting.

It was agreed that the Chair, Phil Fellows and Kirsty Tuffin would meet to discuss the development of a Pension Board workplan prior to the December Pension Board meeting. The Plan would be similar in purpose and design to that used by Committees of the Fire and Rescue Authority.

Resolved:

1. That the update on Remedy be noted.
2. That it be agreed that Paul Gwynn would email Pension Board members to advise of the completion of Annual Benefit Statements being circulated to Deferred Members.
3. That it be agreed that Paul Gwynn would report the failings of uncompleted circulation of Annual Benefit Statements to the Pension Regulator on behalf of Pension Board. An email would be circulated to the Chair of Pension Board once complete.
4. That it be agreed that Paul Gwynn provide a status report at the next Pension Board meeting outlining the controls put in place to prevent failings taking place in the future and key data on the Annual Benefit Statements to Deferred Members.
5. That it be agreed that the Chair would meet with Mike Griffiths in the upcoming weeks to discuss all points raised by Pension Board members regarding Remedy and look to develop a plan to present at a future Pension Board meeting.
6. That it be agreed that the Chair, Phil Fellows and Kirsty Tuffin would meet to discuss the Pension Board workplan prior to the December Pension Board meeting.

5. Risk Register

Julie Felton presented the Pension Board Risk Register advising that feedback following the June Pension Board meeting had all been incorporated into the

document accordingly. It was agreed that sections for Administration risks, System risks, resources and succession planning risks be included on the Risk Register. It was agreed that Alan Tranter and Julie Felton work on the Risk Register, with assistance from Paul Gwynn on operational mitigation. The updated Risk Register to be circulated to the Board for comments prior to the next Pension Board meeting.

Resolved:

1. That the update on the risk register be noted.
2. That it be agreed that Alan Tranter and Julie Felton work on the Risk Register, with assistance from Paul Gwynn on operational mitigation and circulate to Board Members for comments prior to the next Pension Board meeting.

6. Update on Topical, Legal and Regulatory

Paul Gwynn advised the Board that all pension files for active Members had now been digitised and all non-active members in which paper copies were held, would be transferred to digital archiving by the end of September 2021.

Following discussion on pre-retirements and Remedy, Paul Gwynn advised that Pension Scheme members need guidance to make decisions following Remedy and subsequent impact to individuals regarding taxation. Consideration was being given to work with companies to provide such guidance to scheme members.

The Chair thanked all Members in advance for their continued support over the next 18 months.

Resolved:

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

7. Any other business

There was no other business discussed.

The Pension Board meeting ended at 10:55 hrs.

WMFS Pension Board Workplan

Item	Lead	Reporting Frequency
Risk Register		
New System/Automation of Process		
Technical Updates		
BAU Performance Reports/Improvements		
Board Training Requirements		
Annual Report Production		

WEST MIDLANDS FIRE AND RESCUE AUTHORITY**PENSION BOARD****10 DECEMBER 2021****PENSION SECTION SUPPORTING INFORMATION****1. WEST MIDLANDS FIRE SERVICE FIREFIGHTERS' PENSION SCHEMES MEMBERSHIP AS AT 30 NOVEMBER 2021**

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)
Dependants	425	(+9)

The figures in brackets indicate movement since 30th November 2020.

The number of non-members is 10.8% of the number of active Firefighters. This indicates that just over 1 in every 9 Firefighters is not in the scheme. The percentage 12 months ago was 11.44% which is just under 1 in every 9.

The figure at 31st August 2018 was 8.7%, which is roughly 1 in every 12.

If we make the assumption that the non-members are all eligible for the 2015 scheme, this indicates take up of 89%.

Whilst this figure is certainly lower than the take up of the schemes prior to 31st March 2015 it is slightly higher than take up for the Local Government Pension Scheme which stands at 86.8%.

2. **ANNUAL ACTIVITY LEVELS**

2.1 During the last twelve months (01/12/2020 to 30/11/2021) the following levels of activity have been experienced:

Age Related Retirements	71	(+21)
Ill Health Retirements	3	(+3)
Opt outs	17	(-4)
New joiners	68	(-33)
Applications to transfer in/out	7	(-22)

The figures in brackets indicate movement since 30th November 2020.

2.2 The section has also processed the requests shown in the table below and achieved the levels of performance shown.

Request type	Received	Average Response time in days
Benefit Estimate	92 (+41)	66 (+47)
CETV for Divorce	30 (+22)	52 (+30)
General Information	9 (-11)	39 (+20)

The volume of work and the response time have increased due to the confusion surrounding remedy.

3. **INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)**

3.1 Five complaints have been received under the IDRP during the last twelve months. Of these cases one related to the non-payment of Widow's benefits to an unmarried partner and the second to the lack of a scheme payment following the death during deferment of an unmarried member of the 2015 scheme. The former case has been rejected at appeal and the member may consider approaching the Ombudsman for a decision. The latter complaint will probably be resolved by the remedy process in due course.

3.2 The remaining three cases were resolved by the Scheme Manager.

4. **OPT OUT LEVELS AND REASONS**

- 4.1 The number of opt outs during the last 12 months has fallen from the previous year and we are starting to experience some members opting back in. The Board may wish to consider the overall level of take up for what is still a very good scheme.

5. **SCHEME MANAGER DECISIONS**

- 5.1 The Scheme Manager has been very active in the last 12 months making a number of decisions regarding the scheme.
- 5.2 The most notable of these was taken in December 2020 when they chose to use the Home Office guidance to enable the payment of members retiring and suffering immediate detriment.
- 5.3 This decision has however recently been reversed as a result of the guidance being withdrawn.

6. **DATA REVIEW AND SCORING**

- 6.1 No further progress has been made on this item.

7. **McCLOUD JUDGEMENT - UPDATAE**

- 7.1 As highlighted above the Service became one of the first Brigades to adopt the Home Office guidance and begin paying members suffering immediate detriment their pension under legacy scheme rules. This decision was reversed in December 2021.

Paul Gwynn
Payroll and Pensions Manager

