

<b>MINUTES OF THE PENSIONS BOARD</b>
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**4 March 2019 at 1400 hours at Fire Service Headquarters,  
Vauxhall Road, Birmingham**

**Present:** Neil Chamberlain (Chair)  
Kal Shoker – Employer Representative  
Wendy Browning -Sampson – Employer  
Representative  
Employer Representative (Vacancy)  
Emmett Robertson – Employee Representative  
Alan Tranter – Employee Representative  
Paul Gwynn – Pension Adviser

**1/19 Apologies**

Apologies were received from Adam Harper.

**2/19 Declarations of Interest**

None received.

**3/19 Minutes of Pensions Board held on 12 December 2018**

The years stated on page 8 needed to change from 2018 to 2019 in two places in the minutes. Clair Hay name should be to be replaced with Clare Allcock.

The minutes were received as a correct record.

**4/19 Pensions Board Supporting Information**

The Pension Board received the Adviser's Pension Section Supporting Information Report and invited questions from Members of the Board.

Paul Gwynn stated that the time taken for Members to receive a Benefit estimate had increased by one week to 6

weeks and agreed to undertake further analysis of Opt Outs and agreed to provide standard information for every meeting.

The number of requests involving divorce had increased and there had been changes to the SCAPE rates.

It was confirmed that the Scheme Advisory Board were now looking at Opt Outs and it was confirmed that on a twelve month basis the number of opt outs had increased by 3. The number as a percentage was not available.

The Board discussed the various factors for Opt Outs including new recruits, the average age of members Opting Outs being 33 and the average length of service being 2 years and 196 days, there was a similar situation in Police.

It was confirmed that the Authority had 1278 active firefighters and the Authority were keeping the scales balanced and were not looking to increase or decrease the number of firefighters.

New starters would receive information on the National Scheme.

#### 5/19 **Risk Register as at February 2019**

The Pension Board received the Risk Register. It was noted that all organisations are required to have a Risk Register and the Pension Board Risk Register covered failures in IT, BACs, payment to ineligible pensioners and cases of fraud and measures were in place to mitigate the risks.

The Audit and Risk Committee also held the Risk Register for the Authority and the same scoring mechanism is applied to the Pension Board Risk Register.

The Chair enquired about the mitigation of risks, but the Adviser confirmed that the Monitoring Effective Measure column was the control mechanism.

It was recommended that the Board obtain examples of the Kent and Hampshire Pension Boards Risk Registers to provide a comparison.

The Board discussed the risks of cyber security, issues with banking companies and growing external risks.

Paul Gwynn confirmed that the Authority relied on internal controls to mitigate risks.

Wendy Browning-Sampson agreed to obtain copies of Regional Risk Registers.

Paul Gwynn confirmed that the Payroll and Pensions Section would still be able to pay staff and pensioners as long as one member of the team was in the office.

It was stated pensions are fixed amounts unless there is an annual increase, someone reaches the age of 55, on state pension age or there are tax code changes, but it is not time consuming to update details.

There have been more requests coming into the Payroll and Pensions Section, but Paul Gwynn had restructured the Section and was confident that the correct resources were available to meet the changes of the last 18 months. There were currently three dedicated fire pension practitioners.

It was confirmed that Internal Audit section cover any fraud issues.

Paul Gwynn stated that there had been three occasions where a pension had continued to be paid out after the pensioner had died. In two of these cases the money had been recovered but in the third case it had been written off.

The Board Members agreed to compare their Risk Register with other Registers.

Alan Tranter enquired about the Disaster Recovery Plan and it was noted the Pension Board should also be looking at this. It fits under the Corporate Risk Register and it reported to the Audit and Risk Committee on a six-monthly basis.

It was agreed that Wendy Browning-Sampson and Paul Gwynn would undertake work on the Risk Register for the June and September 2019 meetings of the Pension Board.

The Board agreed to look at how the WMFRA Audit and Risk Committee engage with the Pension Board.

It was agreed to add the possible transfer of Governance to the Combined Authority to the Risk Register.

#### 6/19 **Firefighter's Pensions Scheme Bulletin 15**

The Pension Board received FPS Bulletin 15. It was confirmed that the Benchmarking exercise had been responded to.

Paul Gwynn had contacted active members, pensioners and put the information onto the Retired and Serving Members Facebook site and had contacted the National Association of Retired Firefighters local branch on the Amendments to the Firefighter Pension Schemes (England) Consultation and Revised Fire (England) factors.

Paul Gwynn had responded to request for information on opt outs and generally around difficulties surrounding recruitment and retention of talented and experienced pension personnel.

#### 7/19 **Firefighters' Pensions Scheme Bulletin 16**

The Pension Board received FPS Bulletin 16. The Bulletin included information on Transitional protections and the outcome of the judgment.

Paul Gwynn had responded to the Pensions dashboards consultation.

The Board recommended that the new Scheme Manager Training should be brought to the attention of the Chair of the Audit and Risk Committee to consider if the Committee wished to undertake the training.

The Board discussed training that is provided to the Pension Board on a local level by the Pension Regulator and the Local Government Association.

Wendy Browning-Sampson stated that she would discuss with Regional colleagues about the possibility of joint training sessions and it was agreed that this would be discussed further at the June 2019 meeting of the Pension Board. Training was a standard item on the Pension Board Agenda.

8/19 **Pension Board Activity Log 2016-19**

The Activity Log was noted.

9/19 **Pension Board Work Programme 2018 -19**

Members of the Pension Board agreed to consider the Pension Conference being held on 25<sup>th</sup> September 2019. The Adviser recommended attendance at the Conference.

10/19**Pension Board Annual Report 2019**

A draft pension Board Annual Report would be circulated at the next Pension Board for approval prior to presentation to the Audit and Risk Committee.

11/19**Update on Topical, Legal and Regulatory Issues**

Paul Gwynn updated the Board on Topical, Legal and Regulatory Issues.

Following a successful challenge to transitional regulations, there would be a knock-on effect on the preparation for annual benefit statements.

The Bulletin gave details of the Court of Appeal transitional protections judgement. The case had been referred back for remedy and the government intended to appeal. The timeframe for the appeal was expected to be 12 months.

The judgment will affect all public sector schemes and the total cost to the Treasury could be as high as £4bn. It is

likely that this will be addressed by the implementation of new schemes in 2022.

The Board noted the Bulletin.

A notice had been published and the Pensions Scheme went out quickly to 1992 Scheme members and the pensions team were waiting to hear the outcome of the appeal.

### Annual Benefit Statements

The potential changes as a result of the Transitional Regulations court ruling are that the future benefit estimates in this years' statements will almost certainly not reflect the actual position at retirement. The statements will be annotated to make this position clear and the guidance notes issued with them will also be updated.

It was confirmed that the Annual Benefit Statements will be issued in July 2019 and within the statutory timeframes.

Paul Gwynn agreed to issue a communication document explaining the difference between a civil partnership and retrospective civil partners following the equalization of benefits for civil partners in an upcoming Statutory Instrument.

The GMP Reconciliations had been completed within the timeframes.

### 12/19 **Date of Next Meeting**

The Pensions Board agreed to meet on the 4 June 2019 at 1400 hours.

### 13/19 **Training Session**

The Chair welcomed Malcolm Eastwood, Chair of the Scheme Advisory Board.

Mr Eastwood thanked the Board for inviting him and stated there were 45 Fire Authorities with Pension Boards in England.

Clair Alcock and Claire Hey from the Local Government Association provided technical assistance to the Pension Boards.

The Scheme Advisory Board came under the Secretary of State Mr Hurd MP and Mr Eastwood worked with Jane Baldock, Phil Perry and Anthony Mooney from the Home Office.

The role of the Chair of the Strategic Advisory Board would be advertised in 2020 and would be a paid role.

The Board consisted 14 members, 7 Scheme Employer Representatives and 7 Scheme Member Representatives from the Unions: 4 from Fire Brigades Union, 1 from Fire and Rescue Association, 1 Fire Leaders Association and 1 from the Fire Officers Association.

The membership and remit of three SAB committees cover:

Administration and benchmarking;  
Cost-effectiveness;  
Local Pension Board effectiveness

Following the legal judgement The Scheme Advisory Board had been looking at the number of Opt Outs and were considering employing an independent actuary in a similar manner to the FBU.

It was felt that having separate actuarial and legal advice could help.

It was noted that Pension Dashboards would now be mandatory and the Scheme would be obliged to take part. Consultations would be taking place and the Board would be kept informed.

Tax Awareness Seminars had been run by Barnett Waddingham in 2018 and further seminars were being arranged later in the year.

The SAB would be continuing their collaboration with the Pensions Tax Working group led by Andrew Hopkinson the Secretary of the Fire Leaders Association which includes representatives from across the Public Sector Pensions domain.

The impact of pensions tax was currently seen to be adversely affecting recruitment, retention and motivation and the SAB would be explore ways in which the scheme might be better managed to give choice and flexibility on managing tax liabilities.

The SAB would be drafting a meaningful challenge to change the annual allowance as it was felt that this was meant for the banking sector and not public sector employees.

Mr Eastwood recommended that members of the Board looked at the training scheme and The Pension Regulator's website for valuable, dynamic advice, information and training opportunities.

The following events in 2019 were recommended for the Pension Board Members diaries:

15 May - Firefighters and Police Local Pension Board Governance Conference  
18 June – Annual Pension Board wash up training  
19 June - Joint Ill Health Conference  
18 July - Pensionable Pay Workshop  
24/25 September - AGM and Conference  
12 November – Pensions Tax Seminar

The Pension Board were recommended to keep an eye on possible forthcoming changes to the IDPR – 2 stage.

Kal Shoker enquired about the increase in employer's contributions and the financial impact on Authorities budgets. Currently, the government were providing a grant of £5m in 2019/20 only.



Mr Malcolm Eastwood, Chair, SAB thanked The Pension Board for inviting him and the Board thanked Mr Eastwood for his attendance.

## PENSIONS BOARD

4 MARCH 2019

### ACTIONS

Action Number	Action
1	Adviser to provide detailed information on Opt Outs at every meeting of the Pension Board
2	Clerk to obtain examples of Risk Registers from Hampshire and Kent
3	Wendy Browning Sampson to obtain Risk Registers from Regional Pension Boards
4	Paul Gwynn and Wendy Browning Sampson to compare and work on the Risk Registers and provide further information to the June and September Pension Boards
5	Risk Register to be updated regarding the possible transfer of governance to the Combined Authority
6	Wendy Browning Sampson to discuss Regional Training opportunities with colleagues from regional Brigades
7	The Pension Board to look at how it engages with the Audit and Risk Committee
8	Members to inform Julie Connor if they wish to attend any training courses
9	It was agreed that the new Scheme Manager Training should be brought to the attention of the Chair of the Audit and Risk Committee
10	Pension Board Annual Report to be considered at June meeting prior to being submitted to the July Audit and Risk Committee