

**Minutes of the Meeting of  
Shropshire and Wrekin Fire and Rescue Authority  
Pension Board  
held in the Oak Room, Headquarters, Shrewsbury  
on Thursday, 14 February 2019 at 2.00 pm**

**Present**

**Members**

**Employer Representatives**

Andy Johnson	Deputy Chief Fire Officer (Chair of Board)	DCFO
James Walton	Treasurer and S151 Officer	Treasurer

**Member Representatives**

Matt Lamb	Brigade Secretary, Fire Brigades Union	ML
Tony Talbot	Fire and Rescue Services Association Representative	TT

**Officers**

Vicky Jenks	Senior Pension Officer, Shropshire Council	SPO
Lisa Vickers	HR Manager Contract	HRM
Lynn Ince	Executive Support Officer	ESO

## 1 Membership Discussion

There have been no changes to the Pension Board membership.

## 2 Apologies for Absence

None

## 3 Conflicts of Interest and Conflicts Register

The Conflicts of Interest Policy document was tabled to the meeting. It is suggested that this should be taken forward as a guidance document in relation to conflicts of interest. The Board was asked to reflect on the document and advise the DCFO / ESO of any changes required prior to the next meeting. The final version of the document will then be brought to the next meeting for agreement and completion by Board Members.

**Action:** Document to be taken forward as draft for agreement at next meeting.

ML advised that he now sits on the Scheme Advisory Board but he does not think that this causes a conflict of interest. The Treasurer declared a potential conflict of interest in that he is the Pension Administrator of the Shropshire County Pension Fund (SCPF) which the SPO works for.

#### **4a Minutes**

**Resolved** that the minutes of the Pension Board meeting, held on 16 November 2018 be agreed and signed by the Chair as an accurate record of the meeting.

#### **4b Pension Board Action List**

**Resolved** that the Board note progress recorded against the actions on the Action List.

### **5 Contract Management Update and Issues**

The HRM informed the Board that the new Pensions Contract, which runs from 1 October 2018 to 31 March 2022, has been signed. Issues had been raised with regard to indemnity and insurance and these have been dealt with. Shropshire Council started to run the Pensioner Payroll in October 2018 which is why the contract runs from that date.

**Action:** HRM to share Schedule of Expectations from contract with Board.

The HRM explained that quarterly contract meetings will be held and asked if there was anything specific that needed to come to the Board from those meetings. The DCFO said that any issues with the contract would be important and should be covered in this update. The Treasurer felt, firstly, it was important to make sure that the quarterly meetings are taking place. The Board should then satisfy itself that these meetings are productive and are dealing with issues that arise.

**Resolved** that the Board note the update given.

### **6 Terms of Reference**

The Board considered its Terms of Reference.

ML raised a point of clarity that FBU Member representatives can still be Pension Board members after retirement.

**Resolved** that no changes are needed to the current Terms of Reference

### **7 Board Member Undertaking**

The Board was asked to complete the Board Member Undertaking Form and return it to the ESO at the meeting.

The Treasurer asked if the requirement for Board Members to attend a minimum of two Pension Board meetings a year was still practical. The Board felt that it currently was, with there being three scheduled meetings per year but this may need to change if the number of meetings increases.

**Resolved** that Board Members will complete the Board Member Undertaking Form.

## 8 Pension Board Work Plan

The Board considered the Pension Board Annual Work Plan and identified the following with regard to it:

- Conflicts of interest to be added to February meeting (Annual Meeting)
- Internal Disputes to be included as a standing agenda item.
- Format of plan to be changed to a 'tick list' format with columns for each meeting and a tick to show what should go to that meeting.

**Action:** ESO to update workplan as per the above bullet points

**Resolved** that the Board agree the Pension Board Annual Work Plan subject to the outlined amendments.

## 9 Pension Board Annual Report

The Board considered the Chair's Annual Report which will be submitted to the Authority's Standards and Human Resources Committee in March.

The DCFO explained that it is a summary report to the Standards and Human Resources Committee but it is also a useful summary document for Scheme Members. The Annual Report will be submitted to the Committee as an appendix to a covering report so that it can easily be used as a stand-alone document.

The SPO commented that the report is clear and easy to follow with regard to what has happened in the last year. Although there has been less legislation in the past year because of Brexit and also the ongoing age discrimination case.

ML outlined some changes to the final paragraph on page 2 of the report where he suggested that the statement about the Government covering 90% of the increase due to changes to the employers' contribution rate should be cautioned with 'provisionally' and also that the date was incorrect.

LV suggested that links to the self-service websites for the Fire Pension Scheme and the Local Government Pension Scheme should be included after the fifth paragraph on page 2 of the report.

**Action:** Report to be amended as per the above points.

**Resolved** that the Board agree the Chair's Annual Report, for submission to the Authority's Standards and Human Resources Committee, subject to the amendments outlined above.

## 10 Scheme Advisory Board Communications

The Board received the following items from the Scheme Advisory Board (SAB) for information and / or discussion.

#### **10a FPS Bulletin 14 (November 2018)**

- The SPO advised that the cost cap change in relation to the FPS 2016 Valuation has been put on hold.
- The Benchmarking surveys have been sent out with the information returned being collated to establish initial benchmarks. It will be interesting to see the results from this as unless like for like schemes are compared it is hard to establish basic information.
- The Pensionable pay issue has not affected Shropshire.
- The extension of civil partnerships to opposite sex couples may create work for Scheme administrators
- The SAB AGM which is being held on 24/25 September 2019 is a useful event for networking etc.
- LV asked if it was appropriate for Board Members to attend the Pensions Communications Meeting, which is being hosted at SFRS HQ, as observers. The SPO said that it was as no individual cases would be discussed.

#### **10b FPS Bulletin 15 (December 2018)**

- The Court of Appeal transitional protections judgement is still being considered so there is currently no further information available in relation to this. There is speculation that it is more likely to be a case of underpayment, but this is not known for definite. The remedy should not be punitive and it would be perverse if the remedy was to recoup monies from retirees.
- The Consultation on Amendments to the Firefighter Pension Schemes relates to same sex marriage. Communication in relation to the issue will be needed once the outcome of the consultation is known.

#### **10c FPS Bulletin 16 (January 2019)**

- There has been an update to the ill health information website with individual certificates being provided for each scheme.
- ML asked if a response had been provided to the SAB with regard to the number of opt-outs. The SPO explained that a response had been given and there is a small number of them each year but the reason for opting out is not currently captured. A revised form has been devised to try to collate this information. It seems to be mostly On-call firefighters who opt out as they have got cover as wholetime firefighters as well or have other employment. There is an exercise underway to try and gauge why employees opt out and what can be done to address it, for example are wholetime firefighters opting out because of tax implications.

ML asked what remedies could be put in place. It is recognised that there has been a 10% opt out rate in the London Fire Brigade which is attributed to the effect of the employee contribution. The SPO advised that the LGPS has 50/50 option for contributions but this is not taken up often. The main issue is that information on the reasons for opting out is not there. The Communications Group have worked on updating the form to capture information.

## 11 Surveys / returns

### 11a TPR Governance and Administration Survey

This has been completed and submitted.

### 11b Scheme Advisory Board Administration Benchmarking Survey

This has been completed and submitted

### 11c Local Government Association Opting Out Survey

The initial return has been completed and submitted. The Chief Fire Officer did amend the response to the final question to refer to his belief that the annual and lifetime allowance is impacting on people's thoughts and behaviour with regard to pensions.

## 12 Update from Pension Administrator

### 12a Key Performance Indicators (KPIs) (July to December 2018)

Table shows cases completed from 1 July 2018 to 31 December 2018, although there were not a great number of cases in the period. The workflow procedures are being looked at as they were set up a long time ago in accordance with Chartered Institute of Public Finance and Accountancy guidance. Also the programme that generates the KPI statistics wants to report on part of the process rather than the whole task for example Leaver before retirement age process. The performance issues have been due to the process not being wholly suitable and a vacancy in the Pensions Department. Both of these issues are now being addressed.

The DCFO clarified that for the Leaver before retirement age process the individual is not due anything so it is more a case of ensuring that information is correct for when the individual is able to access their pension. The worst case scenario therefore would be that this had a detrimental impact on something for the individual which caused complaint to be lodged. This would not relate to any material loss but would concern the fact that the information should have been received within a certain timeframe.

The SPO advised that the early retirement case was complex and was not approved until the SPO returned from leave. It therefore was not completed within the target days.

**Action:** Processes where targets have not been met to be marked on KPI report from next meeting onwards

The DCFO asked if there had been any issues with the information provided for the Leavers before retirement age process. The SPO reported that there had not been, especially as Pensions are now working with iConnect. The Payroll function has now moved to Telford & Wrekin (T&W) Council. T&W Council do lots of LGPS work so it is being assumed that they are aware of what is expected in terms of providing information. The SPO will talk to SFRS if there are any issues with this. The latest iConnect submission has to be with Pensions by the nineteenth of the month.

In summary, the SPO advised that the majority of KPIs are being met but some of them, such as deferred benefits, fall below retirements and quotations in order of priority.

#### **12b Member Self Service (MSS) Statistics Update**

The SPO advised that the Pensioner MSS numbers have been added to this report for the first time since this information became available in December 2018. The SPO also advised that, although payslips are now online, paper P60s will be produced this year with a view to these also going online next year.

There is an average of 40 calculations per day on the MSS site. This has cut down Pension Officers workload on quotations but it does then raise other questions which the Pension Department needs to respond to. The overall 40% take-up of MSS is good and the active membership figures fluctuates due to people leaving and new starters.

#### **12c Data Scores Action Plan**

The SPO advised that the Action Plan has been put together and covering documentation is being devised to set out what has been looked at and what needs to be done as a result. The next batch of data scores is due to run in June, ready for the TPR return in November.

**Action:** DCFO and HRM to go through Action Plan and highlight any issues and/or queries. Action Plan to then be brought to next meeting for discussion.

**Resolved** that the Board note the updates given by the Pension Administrator.

### **13 Communications issued or due to be sent to Members**

The Board received the following item for information and / or discussion.

- **Newsletter for Disclosure Regulations**

This was the December newsletter which notified Scheme Members of changes to the Pension Schemes.

ML asked if a lower number of Brigades were now involved in the production of this newsletter. The SPO confirmed that Hereford & Worcester FRS have moved to West Yorkshire as their pension provider. Leicester FRS are doing their own thing and West Midlands FRS did not take part in this issue.

- **Member Survey from LGA**

This survey is being undertaken by the LGA to gain feedback on the services that Members receive from their pension provider. It was sent out directly via email and post for those Members without email addresses.

**Resolved** that the Board note the communications issued.

## 14 Training

The Board considered Pension Board training as follows:

- **Training Register**

The Training Register has now been set up. Board Members are asked to log in to, and complete, TPR training modules if they have not already done. There should be a printable certificate at the completion of each module. The Training Register will be updated at each meeting.

**Action:** ESO to send out a reminder regarding training a couple of weeks before each Board meeting.

The HRM advised that Clair Alcock (Firefighters Pensions Advisor) can run training for Pension Boards and provision of such training is to be co-ordinated at a regional level. It is likely that the training will be a general update session.

The HRM also advised that there is still a training budget of £3,000 to be used and asked if there were any issues that currently needed to be addressed. ML suggested that there might possibly be when the outcome of the pensionable pay and age discrimination cases are published. The SPO advised that a technical note would be produced on these issues but it would also be good to have an opportunity to discuss the outcomes and ask questions.

- **Notice of Upcoming Events**

None

- **Training Needs Analysis**

None

- **TPR Training Modules**

Discussed above

**Resolved** that the Board note the points highlighted in relation to Pension Board training.

## 15 Breaches Register

The DCFO advised that this document is the template for recording breaches that is recommended by the SAB as best practice. It is also regarded as best practice to have a Breaches Register set up even if there have not been any breaches.

**Action:** ESO to set up Breaches Register.

**Resolved** that the Board note the Breaches Template and the need for a Breaches Register to be established

## 16 Pension Board Risk Register

The Board considered the Risk Register and if there were any areas of potential risk for inclusion.

The DCFO presented this item and advised that the Register had been populated with a list of risks highlighted as being common to most schemes, by the SAB Local Pensions Board Effectiveness Committee. The Register needs to demonstrate if these are significant risks or not for Shropshire and the DCFO asked Board Members to let him know if they have any comments / issues with the risk rating that has been applied.

The DCFO, HRM and SPO need to discuss and complete the entry for the Guaranteed Minimum Pension (GMP) reconciliation risk. The GMP reconciliation is a one-off exercise that is currently being undertaken to ensure that the records held by Pensions and Her Majesty's Revenue and Customs match. ITM have been employed to undertake the project for the LGPS and the fire pension schemes have been added onto this contract. The exercise should be completed by the end of February 2019. The risk rating for this entry would be higher if this current exercise, which is only looking at pensioners in this instance, was not being undertaken.

**Action:** Comments to be added to Risk IDs 4 and 7.

**Action:** Format of document to be checked as some text is not visible at present.

**Resolved** that the Board note the Risk Register and the additions to it

## 17 Register of Internal Disputes

**Resolved** that the Board note the update on the Register of Internal Disputes and that there have been none in the period since the last Board Meeting

## 18 Date of Next Meetings

- Thursday, 27 June 2019, 10 am at Headquarters.
- Wednesday, 2 October 2019, 2 pm. at Headquarters

**Action:** ESO to send diary invites to Members

The meeting closed at 4.00 pm

Chair.....

Date.....