

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Pension Board
Held via Microsoft Teams
On Thursday, 26 March 2020 at 10.30 am**

Present

Members

Employer Representatives

Dave Myers Deputy Chief Fire Officer (Chair of Board) DCFO

Member Representatives

Matt Lamb Fire Brigades Union ML

Tony Talbot Fire and Rescue Services Association TT

Officers

Vicky Jenks Senior Pension Officer, Shropshire Council VJ

Lynn Ince Executive Support Officer ESO

1 Appointment of Chair

It was proposed by Matt Lamb, seconded by Tony Talbot, and with no other nominations, it was

Resolved on a unanimous vote that the Deputy Chief Fire Officer be appointed as Chair.

2 Apologies for Absence

James Walton, Treasurer

Lisa Vickers, Human Resources Manager (Contracts)

3 Conflicts of Interest and Conflicts Register

Board Members were asked to declare any interests or responsibilities which may lead to conflicts of interest in the subject area or any specific agenda items for this meeting. Board Members were also asked to consider the Conflicts of Interest Policy document and agree any necessary changes.

No conflicts of interest were declared and there were no amendments to the Conflicts of Interest Policy document.

4 Minutes and Action List

4a Minutes

Resolved that the minutes of the Pension Board meeting, held on 2 October 2019, be agreed and signed by the Chair as an accurate record of the meeting.

4b Pension Board Action List

Progress on the Actions List is recorded on that document.

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

5 Contract Management Update and Issues

The SPO advised that a contract meeting is scheduled for next week.

6 Pension Board Terms of Reference

The Board considered proposed changes to its Terms of Reference as shown in the document with additions in bold italics and deletions struck through.

The Board also identified the following amendments:

- **Section 3 Membership**
The word 'Two' to be removed from the following sentences:
~~Two~~ **Member** representatives shall be appointed to the Board
~~Two~~ **Employer** representatives shall be appointed to the Board
- Section 9 Meetings
First sentence to be amended to read 'The Board shall meet at least ~~three~~ **four** times a year'

Resolved that the Board agree the proposed changes to its Terms of Reference together with those set out in the meeting.

7 Pension Board Work Plan

The Board considered the Pension Board Annual Work Plan and discussed any further items that they may wish to include on it.

The Board identified the following amendments to the Annual Work Plan

- Update dates at top of columns
- Increase to four meetings a year
- SPO to advise ESO of when Key Performance Indicators will be reported to the meeting (reported twice yearly)

Action: Amended Work Plan to be brought to next Board meeting

Resolved that the Board agree the Annual Work Plan with the inclusion of the amendments discussed in the meeting.

8 Annual Report to Standards, Audit and Performance Committee

The DCFO will prepare this report to go to the Standards, Audit and Performance Committee. The report will be shared with Board members for approval prior to it going to the Committee.

9 Scheme Advisory Board Communications

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

- 9a FPS Bulletin 24 (September 2019)**
- 9b FPS Bulletin 25 (October 2019)**
- 9c FPS Bulletin 26 (November 2019)**
- 9d FPS Bulletin 27 (December 2019)**
- 9e FPS Bulletin 28 (January 2020)**
- 9f FPS Bulletin 29 (February 2020)**

The DCFO advised that he did not intend to talk through each individual bulletin at this meeting. The Board were happy with this approach for this meeting but asked that this item be kept on future meeting agendas.

The SPO advised that anything important or urgent that is outlined in the SAB Bulletins is picked up and addressed when the Bulletin is received. For example, the issues related to the age discrimination issues, which were raised in the last two Bulletins, have been addressed by the appropriate officers.

Resolved that the Board note the SAB Bulletins

10 Surveys / Returns

Resolved that the Board note that no surveys or returns had been completed since its last meeting in October 2019.

11 Update from Pension Administrator

11a Key Performance Indicators June to December 2019

The SPO advised that commentary has been provided on the report for those processes where the target days have not been achieved. The biggest issue relates to deferred benefits and has been caused by maternity leave within the team, but this work is now being addressed. Deferred benefits are not a priority for processing; work related to retirees is given priority.

11b Member Self Service (MSS) Statistics Update

The SPO explained that the use of MSS is beneficial to the Pension Team workload as it helps to reduce enquiries etc from Scheme Members. There is a good take-up of MSS nationally, but it still needs to be pushed at the local level.

The DCFO asked if any support was needed from Service with this. The SPO explained that emails promoting MSS are sent to Scheme Members before the publication of the Annual Benefit Statements. The MSS message is also added to any other pensions' communications. The DCFO asked if the 50% take-up within the Service is potentially all wholtime firefighters. The SPO said that most MSS users are wholtime, but this could be because On Call firefighters may have pension benefits held in their main employment and pension from the Firefighters scheme is secondary to that.

Action: TT to look at promoting MSS use with On Call employees via emails etc

The DCFO asked if there was a national comparator for MSS use. The SPO explained that fire pension schemes are gradually moving across to MSS and the Local Government Pension Scheme (LGPS) has a usage rate of 25-30%. Shropshire is therefore doing well with 50% of membership logged on and usage rates slowly increasing.

ML commented that he was interested to see that pensioner activity on MSS is quite high although this might tail off. The DCFO added that this may be because newer members and pensioners are likely to access their pensions information more frequently.

11c Shropshire County Pension Fund (SCPF) Risk Register

The SPO advised that this document provides a comparison to the Local Government Pension Scheme Risk Register and sets out areas that the Board should ensure are included on its Risk Register when it is considered at item 15 on this agenda.

The SPO added that capacity and /or resilience for dealing with issues arising from the Covid-19 pandemic should also be included on the Risk Register.

11d Age Discrimination Update

The SPO advised that the information set out in this document had been gathered from the SAB Bulletins and that the Pensions Department has provided all the information as requested. The SPO also advised that, so far, there have not been many queries from Scheme Members in relation to this issue, but consideration may need to be given to developing a timeline for communications going forward.

ML commented that those Members with immediate cases seem to be content with the current situation. Representation has been made to the Home Office about a solution for those issues that are outside the 12-month Her Majesty's Revenue and Customs (HMRC) deadline.

The DCFO asked if any additional communications were needed about this issue. The SPO explained that currently the Pensions Department can only give information based on what may, potentially, happen. As Scheme Members are not raising many concerns in relation to this issue at present, it feels acceptable to address the issue further in July 2020 when a further update on immediate cases is expected. The SAB Bulletins are good at highlighting this issue and any developments concerning it.

11e Widows Benefit Issue

The SPO reported that there has been an issue with the payment of Guaranteed Minimum Pension (GMP) to widows. The level of GMP applied to individuals is dependent on the level of state benefit paid to them. There has been one case where SCPF have been paying less than they should have been to individuals. It is assumed that for widows of firefighters half of the GMP is attributed to the widow's record unless they are in receipt of state benefit. Discrepancies have been identified between HMRC and SCPF records which has led to checks on how much GMP is being paid. Investigations are now underway to identify the reasons for these discrepancies.

The DCFO asked about the reconciliation process for the issue and if any arrears would be backdated. The SPO explained that further information about arrears is awaited. It appears that one person will be owed arrears and one of the individuals concerned as passed away. There is also evidence that one of the HMRC records was wrong. There is time to investigate the issue further.

TT asked if the issue needs to be added to the Pension Board Risk Register. The SPO confirmed that this was not necessary as the GMP rectification process finishes this year so should not be any more cases identified.

ML asked where the issue is recorded, for example is it a breach. The SPO explained that the rectification process is done across all funds so there is a national stance on the issue. The DCFO stated that the SCPF was confident that any future cases would be identified easily.

12 Communications Issued or due to be sent to Members

Pensioner Newsletter

The SPO advised that this is a work in progress. The intention was to produce a newsletter to go out to those in receipt of firefighter pensions. It had been hoped that this would be done at the regional level but there has not been much take up from other Services. This has now been deferred to next year with the aim of producing a digital newsletter to go out with P60s, which will be issued online next year.

The DCFO commented that this was a good idea as there is generally not much information available to pensioners. The Board felt that the draft newsletter which had been circulated to them with the meeting papers was very good and contained lots of information.

The Board support the production of such a newsletter but were concerned that it would be difficult to do if there are no other Services involved to share the costs.

Fire Pensioners P60 and Pension Increase notification

The Fire Pensioners P60s will be issued at the end of April / beginning of May and the new value of pensions will be confirmed.

13 Training

The Board is considered Pension Board training, including:

- Update training register
- Notice of upcoming events
- Training needs analysis
- The Pensions Regulator (TPR) Training Modules which can be accessed via the following link:

<https://education.thepensionsregulator.gov.uk/login/index.php>

Action: ESO to attempt to resolve log-in issues for Board Members in relation to TPR Training Modules

14 Breaches Register

There have been no breaches in the period since the last meeting of the Pension Board.

The SPO referred to the issue of deferred benefits not being processed in within the target timeframe and questioned if this is a material problem that needs to be reported to the TPR. The DCFO asked if this needs to be included on the Breaches Register. The DCFO also commented that it is a one-off event, but it may be worth including to facilitate monitoring. The SPO explained that the TPR take the view that if an issue is recorded on the Breaches Register, actions should be being taken to fix that issue, but it only needs to reported to TPR if it creates a material issue or no action is taken to correct the issue.

ML suggested that the final column on the Breaches Register should be amended to reflect whether the issues recorded needs to be reported to the TPR or not and the date the decision about reporting was made.

Action: final column on breaches register to be amended to 'Report or Not Report' and date

15 Pension Board Risk Register

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

- Risk ID 3 – Poor Record-keeping (i.e. the receipt and management of correct data)
 The DCFO asked if the risk score for this risk could be reduced to low instead of medium if there are proper measures in place to address the potential issues. The SPO commented that the data scores for the Schemes are relatively positive and there are systems in place for data collection and review, with data being reviewed on monthly basis. ML commented that the probability should now be lower as data scores are improving. TT added that this risk was last reviewed a couple of years ago.
Action: Risk score for Risk ID 3 to be amended to low
- Risk ID 6 – Receiving contributions from the employer(s)
Action: Risk ID6 to be removed from Risk Register
- Risk ID 7 – Lack of resources / time (e.g. unplanned loss of staff, sickness etc)
 The SPO reported that upskilling of the Pensions Team is being undertaken to ensure capacity. There is also the aim to grow business by securing pensions administration contracts from other fire and rescue services and there are a couple of such opportunities that are currently being explored. There is strong competition but SCPF has a good reputation although its resilience is currently small. If this additional work can be secured, there will be benefits for this Service as the Pensions Team will gain experience in dealing with more complex cases.
- Risk ID 8 – Recruitment and retention of staff or knowledge
- Risk ID 9 – Lack of knowledge, effectiveness or leadership among key personnel
Action: Detail to be added to both risks around capacity and increase to Board membership.
- Risk ID 10 – Failure of telephone systems
 The SPO commented that this relates to wider communications issues as reflected in Risk ID 13.
Action: Failure of telephony systems to be added into Risk ID 13 – Systems failures
- Risk ID 11 – Poor communications between key personnel (board, scheme manager, administrator etc)
 The DCFO commented that he was comfortable with the current level of communication as too much can be as much of an issue as too little.
- Risk ID 13 – Systems failures (IT, payroll, administration systems etc)
Action: telephony systems (Risk ID 10) to be added

Action: Following risks to be added to Risk Register

- **Covid-19 Pandemic specifically the long-term impacts of the issue**
- **Impacts of significant changes to legislation which may impact on scheme members and/or the administration of the Pension Schemes**

ML raised the issue of a curtailment of the Administration Contract and queried if this should be recorded on the Risk Register. ML explained that he was not suggesting that this was likely to happen in Shropshire, but this has happened with the Pensions Administrator for Leicestershire, Nottinghamshire and Derbyshire Fire and Rescue Services (FRSs)

The DCFO queried what the implications of curtailing the administration contract are. The SPO explained that the SPO concerned gave notice of the curtailment as of 1 April 2020. A procurement process is needed to appoint a new administrator, and this has been extended to December. Leicestershire FRS have taken the lead on the procurement and have produced a tender document. SCPF have expressed an interest in tendering for the contract.

The DCFO asked how the administration is being undertaken in the interim. The SPO explained that Leicestershire County Council are providing pensions administration for now and that there is a joint Pension Board for the three authorities.

The DCFO commented that how the information is presented on the Risk Register should be reviewed and amended if necessary, specifically the 'Status' column should reflect where the situation with a particular risk is.

Action: Status column on Risk Register to be changed to 'Live Status'

16 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 meeting of the Pension Board.

17 Date of Next Meeting

Meetings to be held in June, September and December.

Action: Dates of meetings to be confirmed by ESO

The meeting closed at 12.10 pm.

Chair.....

Date.....