

**Minutes of the meeting of
Shropshire and Wrekin Fire and Rescue Authority
Pension Board**

**held in the Sycamore Room, Headquarters / via MS Teams
on Wednesday, 6 March 2024 at 2.00 pm**

**Present
Members**

Employer Representatives

Guy Williams	Assistant Chief Fire Officer (Service Delivery) (Chair of Pension Board)	GW
Adam Matthews	Assistant Chief Fire Officer (Service Support)	AM
James Walton	Fire Authority Treasurer	JW

Member Representatives

Matt Lamb	Fire Brigades Union	ML
Steve Morris	Fire Brigades Union	SM

Officers

Wendy Edwards	Human Resources Manager	WE
Lynn Ince	Executive Support Supervisor	LI
Darren Bowe	Pensions Officer	PO
Aleks Zydek	Executive Support Officer	AZ
Helen Scargill	West Yorkshire Pension Fund	HS

GW introduced Adam Matthews, Assistant Fire Chief Officer who will be taking over as Pensions Board Chair. GW also introduced Darren Bowe, newly appointed Pensions officer and Aleks Zydek, Executive Support Officer who will be taking over the administrative side of the Pensions Board.

1 Apologies for Absence

Joanne Coadey (JC) and Tony Talbot (TT)

2 Conflicts of Interest

Board members were reminded that they should declare any interests or responsibilities, which may lead to conflicts of interest in the subject area or any specific agenda item of this meeting. A conflict of interest is defined as a financial or other interest, which is likely to prejudice a person's exercise of functions as a member of the Pension Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Firefighters' Pension Scheme.

ML and SM signed copies of Conflict-of-Interest registration forms.

There were no conflicts of interest declared

3a Pension Board Meeting Minutes For decision

The Board received the minutes of the Pension Board Meeting held on 6 December 2023, **attached marked 3a**, and agreed that they be signed as an accurate record of that meeting.

3b Pension Board Action List For information / update

The Board noted progress against the actions on the Action List, **attached marked 3b**.

All discussion relating to this item was recorded on the document marked 3b.

In relation to item from 24.04.18 Agenda item 15 ML commented that there needs to be a provision on SFRS website for employees and retired SFRS members to be able to access their pension account.

GW explained new website is under way but unlikely to be completed this year. GW advised ESO will work with Emily Bray to create an internal SharePoint access for Board members to access papers and training log.

DB can facilitate support with access to West Yorkshire Pensions Fund Website and will support sending out information to retired members. DB to be involved in design of the new SFRS website to ensure section for pensions is comprehensive and that there is signpost to FBR website ad West Yorkshire Pension Fund.

In relation to item 23.5.2022 AOB ML commented that allowance would be preferable to payment for expenses. GW confirmed check with neighbouring services (H&W) showed allowances are not being paid by other services. GW confirmed the Service will continue to cover expenses.

HS suggested contacting South Yourkshire Independent Pensions Chair for best practice. AM and DB to explore this further.

4 Contract Management Update and Issues For information

WE provided the following verbal update:
DB to be involved in contract management meetings moving forward and will report back to this Board with any issues. West Yorkshire Pension Fund supplies statistics. WE confirmed that swapping of work is ongoing between JCo, DB and WE.

5 Pension Board Work Plan 2024

For decision

This report set out the proposal for the Pension Board Work Plan 2024.

DB questioned what training sessions were held in the past. GW confirmed there was lack of training, but some sessions were held. This provision can be improved now that DB is in post.

ML questioned about the suggestion that training would alternate between sessions of Pensions Board. AZ explained that this year's training sessions were chosen based on the number of items on the agenda and that September and December sessions were chosen due to relatively small agendas. AZ advised that in 2025 the Service will look at alternating the sessions for its 2025 meetings.

6 Update from Pension Administrator For information / discussion

The Client Relationship Manager, West Yorkshire Pension Fund, gave an update, including a summary of the following monthly client reports:

- a) December 2023
- b) January 2024
- c) February 2024

HS gave an update on the bulletins and noted that the Pension Estimate did not meet deadline due to the administration software being updated to meet the new legislation requirements. This caused an initial delay in the processing of cases post 1 October 2023. The team are now working through the estimates that were put on hold.

Member web registration numbers have seen a small increase in February.

HS noted that WYPF are currently looking into the issue of injury pension calculations for retained firefighters appointed after 5 April 2006 and collating data for the number of FRAs that may be affected. Further information will be provided as soon as possible.

WYPF were chosen to participate in a voluntary supervisory engagement with the Pensions Regulator (TPR) along with nine other LGPS Funds in England and Wales.

GW noted that WYPF were 1 of 3 pension fund administrators who responded to LGA survey.

HS informed the Board about introduction of employer training webinars. HS and DB to have a 1-2-1 session to discuss Year End and answer any questions that DB may have.

HS added the 5-year plan update was attached to item 06c as well as calendar of events for the year to give context to work carried out.

HS advised in relation to the Age Discrimination remedy to allow for the leading FRA to complete the GAD tax and contribution calculator, they will need to obtain pay, tax, service and contributions data from the previous FRA and a data sharing agreement will need to be in place to facilitate this. The Service will need to establish members who left and establish data sharing permissions with the FRA they join.

HS advised that Firefighter pensions will increase by 6.7% from 8 April 2024 (a lower, pro-rata increase will apply to pensions that started after 23 April 2023). This increase is in line with the increase in the Consumer Prices Index for the year up to September 2023.

Active Firefighter pension accounts will be revalued in line with changes in Average Weekly Earnings and will increase by 7.7% from 1 April 2024.

DB gave update in absence of JCo on the action log for bulletins. The Service is aware that items are outstanding and is working on getting those completed as soon as possible.

For item 74: Contingent Decision, ML questioned what communication went out to members and if they are aware that they need to fill in a form. DB responded there is work to be carried out on communication to identify members and ask them to fill the form.

ML commented that some general communications are needed to spread awareness for members. WE added that Communication Team is looking at social media content and other means of communication.

7 Update on Pension Exercises For information / discussion

Officers provided an update on the current situation with the Sergeant and Matthews cases.

7a McCloud/Sargeant.

The immediate choice RSS statements were made available in December 2023 but due to office closure over Christmas WYPF were not able to begin any work on these until the new year.

It then came to light that there was an issue with the interest on arrears of pensions and lump sums. As neither arrears of pension nor lump sum are compensation payments then the interest paid with them is also not a compensation payment. Under HMRC rules this has meant that any interest paid over the commercial rate would be an unauthorised payment and would attract unauthorised payments tax charges. The 8% interest offered to members on the arrears of pension and lump sum is above the commercial rate and therefore administrators would need to calculate the unauthorised amount and apply tax charges accordingly.

HMRC produced a newsletter on this issue in February. However, the example they used in it was incorrect.

There are now a number of issues that need querying with HMRC and Treasury, and cases cannot be processed until these issues are resolved. The LGA are looking to see if there is a way for cases to proceed before the issues are resolved by HMRC but currently WYPF will not be processing any immediate choice calculations.

HS has a spreadsheet with data on Immediate Choice Members but is unsure if there are any outstanding ill health assessments. HS does not currently have the financial data spreadsheet for the remedy.

DB asked about timescale for the Service to give data to WYPF. HS advised the deadline was August 2023 but there is a month 12 extension of time limits. WYPF's deadline for data is 31 May. DB questioned what the implications are for scheme members if the Service failed to provide WYPF all the data before the deadline. HS responded that it would mean that the annual benefit statement may not be produced by 31 August 2024, resulting in a TPR breach. HS said she will be in a position to give more information closer to the time.

DB questioned if the Service can supply partial data and if WYPF would accept this. HS confirmed that WYPF would accept this and can upload partial amounts.

ML noted that first the Home Office and now HMRC are sabotaging the payments for members. This issue has been on horizon for 5 years. and it is disgraceful that people who gave 20, 25,30 years of their life to the Service now must wait 5 years for the pension that they have paid into.

HS explained her understanding is that the issues with tax were raised by someone with strong tax knowledge in NHS and that this issue is affecting the whole public sector not just FRSSs. She added that it appears that the Treasury was not aware of HMRC rules coming into play while putting together the legislation.

ML commented that for members it is a struggle to not have the money that is owed to them. There seems to be another government department sabotaging the payments. ML questioned how it is that the government has put legislation and deadlines in place but has not done their homework. HS commented that this pause was agreed with FBU to allow administrators to get everything correct. WYPF are now looking at alternate ways of processing to try to move some cases on.

ML questioned what the consequences, if any, will be for the government not meeting their own timescales. HS commented that those are aspirational dates and are not set in stone. The dates are motivation for Pension Administrators to move the process along. GW added that if the aspiration is for March payment, the cohort needs to be moved to June which would mean that rather than payments being processed over the longer period of time, there will have to have a compressed timeline instead.

HS advised that when the SAB provide information on which option they are going with then WYPF will produce a letter to scheme members explaining what it means for them.

7b Matthews

DB provided an update on this item and stated that the deadline to write to affected scheme members was 31 December 2023. The Service identified 413 members, 367 of those had addresses on file; and 115 expression of interest forms were returned. 2 members replied to say they do not want figures. DB commented that he is unsure if they understood the communication and aims to get in touch with those members to support them to make an informed choice.

DB commented the resources are limited to work on both Sergeant and Matthews exercises simultaneously.

DB added that 46 members letters came back marked as 'not at address' and those were added to the breaches log. The Service is looking into other ways to contact members who may be entitled, for example using social media to inform people to get in touch. The Service will also look into using a tracing service to find addresses for those individuals that it does not hold up to date addresses for.

GW added that a comms / information session about the issue can be arranged and DB to be involved with this.

8 Pension Board Risk Register

For information / review

The Board noted the Risk Register, and ML raised that now DB is in post should the risk levels be lowered for some items. GW advised this will be done once DB is fully integrated with the role.

Action: DB to assess Items and risk in Risk Register prior to June meeting.

9 Breaches Register

For information / discussion

The Board noted the Breaches Register.

Action: DB to look at the Breach Register and identify items that are currently not on it but should be. More recording to be carried out before breaches are reported.

ML was concerned that due to the lag of quarterly meetings, items are considered by Pensions Board and reported with delay. GW reassured that the Service is as current as it can and records items for the most recent quarter.

ML questioned what would happen if, as an advisory body, the Pension Board disagree with decision on reporting, or not, a breach. Can feedback such as this be noted or can the Pension Board report themselves. JW advised that ultimately the Pensions Board have no responsibility for it and the Pension Board needs to be aware of, and comfortable with, the policies that are in place to deal with breaches within the Service.

10 Register of Internal Disputes

For information

The Head of Human Resources and Administration will provide an update on the Register of Internal Disputes.

WE advised there are none.

11 Training

For information

The Board considered Pension Board training, including:

- Update training register
Local training available that members can sign up. DB to look at national standards. Training for people who may step in if members leave the board.
- Notice of upcoming events
- Training needs analysis
- TPR Training Modules which can be accessed via the following link:
<https://education.thepensionsregulator.gov.uk/login/index.php>
- Board Member Succession planning
Pension Board needs to look at contingency planning. JCo is looking to step down from the Board and a replacement will need to be found for her. There is the possibility of WE stepping in to replace JCo. ML commented that it is the duty of the employer's side to replace their members who wish to step down.

The Board queried the low and non-attendance of Members and how this should be dealt with. GW advised that the Pension Board Constitution states that: "*Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.*" GW added that conversations have happened in the past with the member in question and they reassured their commitment at that point, however their attendance has not improved since.

Action: Pension Board to look at potential replacement.

12 Review of Pension Board Constitution and Terms of Reference

For decision

The Board was asked to consider its Constitution including the Terms of Reference and agreed any necessary changes prior to July meeting.

LI presented the draft and explained that although this was previously titled as Terms of Reference, it was actually a constitution, as it talked about how the Board is made up and how it operates but and did not talk about the Board's activities and responsibilities. Terms of Reference have now been added to the document at section 15. LI requested feedback prior to June meeting so that Review can be completed.

ML commented that the document looks fairly extensive. ML questioned the need for a Vice Chair if there is a situation where the Chair is not able to attend the meeting. GW commented it is unusual circumstances when this would occur.

JWa suggested adding wording to the Constitution that Pension Board can appoint a Chair at the meeting if current Chair is not present to allow for the meeting to go ahead.

Action: AZ to add wording to Pension Board Constitution

13 Payroll

For information

GW advised that unfortunately T&W Payroll officers were unable to join the meeting, but they provided written update on the two following agenda items.

13a Quarterly performance report.

GW read following statement from T&W Payroll:

Payment contributions are checked as part of the payroll processing and pension banding reports are run as part of this process and employees are checked to ensure they are paying the correct contribution rates based on their pensionable pay.

HR Requests for FTE figures/retirement figures are processed as and when they come in and presented in a timely manner normally within 24 hours.

I-Connect and WYPF extracts are run on payroll completion, checked, and signed off. I-Connect for LG are uploaded within the last week of the period or first week depending on the working day but uploaded in plenty of time for the deadline. WYPF is sent back to SFRS for checking and uploading to WYPF. All monthly returns are completed as above. There are no current KPI's within contract.

HS commented that some of the data that WYPF receives from T&W is incorrect, and queried if there is a scope for DB to check the data before it gets to WYPF to make process more efficient. JWa raised that there is then a danger that the responsibility for the accuracy of data will sit with DB and this will not provide any incentive to T&W Payroll to hit the standards and send the right data in the first place. There is

also a question of Independent Assurance (external audit) being conducted in a timely manner.

DB is looking to set up a log to record where members who are retiring are in the process. DB to look at the route of the process.

HS added that majority of retirement details WYPF receives come from FRAs not Payroll.

GW noted that service standards and KPIs should be part of the contract management with Payroll.

Action: AM and human Resources Manager (contracts) LV to explore this.

13b Brief on business continuity planning for cyber security and power outage.

Page 7 of continuity plan from Zellis, references the disaster recovery plan in place. As the servers are now off site and hosted in the cloud, it is their responsibility to ensure our service is up and running within acceptable timeframes. This continuity plan would sit alongside T&W's service continuity plan.

14 Pensions Discretions

GW put forward question around what the Board would like to know regarding use of pension discretions.

ML commented whether access to relevant policies and procedures would be possible.

JW added that the Board does not need to read the whole policy but it does need assurance that an appropriate process is in place. There needs to be clear, robust pensions discretion process, right to appeal and what happens with any subsequent reports.

Action: AM to investigate and provide further information at the for June meeting.

15 Any Other Business

GW put forward idea of awareness session for the Board around latest Case Studies.

HS requested that the main contact user / authorised list is updated to include DB and remove people who have left the service.

Action: WE to update this.

HS put forward an idea of a pension inbox to enable DB to become a strategic contact and enable better monitoring of data sent to WYPF by T&W Payroll.

Action: AM and DB to explore this idea.

GW gave update on Bradford Council financial position and stated that if a s114 notice was issued it would not have any impact on pensions which will continue to be paid regardless of what happens.

HS explained that pensions are administered by West Yorkshire Pension Fund ('WYPF') which is part of Bradford Council. However, WYPF's operations are run separately from those of Bradford Council and all of its costs are met in the first instance from the assets of WYPF. The costs of providing pension administration to other LGPS funds and Fire Authorities are recharged to those Funds/FRA's on a per-member basis. WYPF has not been required to make any changes to its administration service as a result of Bradford Council's financial challenges, so there should be no impact on the administration service provided.

ML and SM thanked GW for his time as a Chair and wished him best for the future.

16 Next Meeting Date

Thursday, 13 June 2024 at 2.00 pm in Sycamore Room, Headquarters / via MS Teams.