

# Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

Date: Thursday 4 March 2021  
Time: 2.00 pm  
Venue: Microsoft Teams

## Membership

Martin Reohorn, Independent Chair

Employers' Representatives:

Barnaby Briggs, Assistant Chief Fire Officer

Caroline Jones, Finance Portfolio Lead for Communities & Resources

Councillor David Reilly, Warwickshire County Council

Employees' Representatives:

Sian Marsh, Fire Brigades Union (Fire and Rescue)

Paul Morley, Fire Officers Association

Tony Morgan, Fire and Rescue Service Association

Items on the agenda: -

## 1. General

### (1) Apologies

### (2) Board Members' Disclosures of Interest

(As stipulated by the Public Sector Pensions Act 2013 and set out in Annex A of the Agreed Board Terms of Reference).

### (3) Minutes of the Previous Meeting

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## 2. Terms of Reference

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## 3. Pensions Administration Update

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## 4. Risk Monitoring

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**5. Next Steps**

**6. Forward Plan**

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**7. Any Other Business**

**8. Future Meeting Dates**

June 2021 – date to be confirmed

Tuesday, 14 September 2021

Tuesday, 9 November 2021

Monday, 14 February 2022

Tuesday, 10 May 2022

All meetings start at 2.00pm, unless specified otherwise and will be scheduled to take place virtually or at Shire Hall, Warwick (subject to government guidance).

**Monica Fogarty**  
Chief Executive  
Warwickshire County Council  
Shire Hall, Warwick

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## Disclaimers

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### Disclosures of Pecuniary and Non-Pecuniary Interests

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. A member attending a meeting where a matter arises in which s/he has a disclosable pecuniary interest must (unless s/he has a dispensation):

- Declare the interest if s/he has not already registered it
- Not participate in any discussion or vote
- Must leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests must still be declared in accordance with the Code of Conduct.

These should be declared at the commencement of the meeting

The public reports referred to are available on the Warwickshire Web

<https://democracy.warwickshire.gov.uk/uuCoverPage.aspx?bcr=1>

### Public Speaking

Any member of the public who is resident or working in Warwickshire, or who is in receipt of services from the Council, may speak at the meeting for up to three minutes on any matter within the remit of the Committee. This can be in the form of a statement or a question. If you wish to speak please notify Democratic Services in writing at least two working days before the meeting. You should give your name and address and the subject upon which you wish to speak. Full details of the public speaking scheme are set out in the Council's Standing Orders.

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# Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

Thursday 26 November 2020

## Minutes

### Attendance

#### Committee Members

Keith Bray (Chair)  
Barnaby Briggs  
Councillor David Reilly  
Sian Marsh  
Tony Morgan

#### Officers

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance  
Liz Firmstone, Service Manager (Transformation)  
Victoria Jenks, Pensions Admin Delivery Lead  
Deborah Moseley, Senior Democratic Services Officer  
Jane Pollard, Legal Service Manager (Corporate)

#### Others Present

Martin Reohorn

### 1. General

The Chair welcomed the new Members of the Board, Councillor David Reilly and Sian Marsh, together with Martin Reohorn, who was attending as the proposed new Independent Chair of the Board (subject to agreement by the County Council).

### 2. Apologies

Caroline Jones and Paul Morley

### 3. Board Members' Disclosures of Interest

None.

## **(1) Minutes of the Previous Meeting**

The minutes were approved as a true and accurate record of the meeting held on 21 July 2020.

### **4. Pension policies and review dates for Warwickshire Fire & Rescue**

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, presented this report to the Board which explained that several policies and statements needed to be in place to ensure the successful administration of the Firefighter Pension Schemes. Historically, the authority had relied upon and followed the policies that were in place for the Local Government Pension Scheme for administering the Firefighters' Pension Schemes, but the recent Finance Service restructure had presented an opportunity to increase the capacity within the Pensions Service, thus allowing a greater focus on developing policies that were specific to the requirements of the Firefighters' Pension Schemes, and ensuring that the governance requirements of the Pensions Regulator were met. An appendix to the report set out the required policies, three of which would be presented to the next meeting in March: Breaches Policy, Conflicts of Interest Policy and Terms of Reference.

In response to a question on when breaches may occur, Neil Buxton gave the examples non-payment of employer contributions or annual benefits statements not being issued.

In relation to a query regarding the preparation of the Risk Register and the inclusion of the potential impact of devolution proposals, Liz Firmstone, Service Manager (Transformation), advised that the Risk Register would be developed over the coming weeks and months, following an horizon scanning process which would take into account the potential for local government reorganisation. The Chair invited Mr Rehorn to comment from his position of experience in relation to proposals for a police and crime commissioner to take on fire governance, and he responded that the proposals had not made a significant difference to the risk of making sure members received the benefits they were entitled to.

The Chair shared with the Board that he had recently attended an informative training session by AON in relation to Cyber Security and he indicated that he would share the presentation slides with Officers to send to the Board Members.

### **5. Regulatory Update Firefighter Pension Schemes**

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, presented this report to the Board which provided an update on current developments in the Firefighter pension schemes. The report particularly detailed the current position in relation to McCloud/Sergeant and the Special Members of FPS 2006 – second options exercise.

Barnaby Briggs, Assistant Chief Fire Officer, thanked the authority for the way it had recently dealt with immediate detriment cases.

Tony Morgan's commented that there had been good discussions between the government and representative bodies in the Fire Service but that historic administrative practices around paperwork in some fire and rescue services may lead to potential difficulties and suggested this be added to the risk register.

## **6. Pensions Administration Update**

Victoria Jenks, Pensions Admin Delivery Lead presented this report which provided an update on the proposed appointment of Martin Rehorn as the Board's new Chair, the Pensions Administration Service in terms of personnel and membership numbers, issue of Annual Benefits Statements, and data quality.

In response to a question on data quality and improving the level of scheme specific data, Victoria Jenks advised that the service would seek to improve the score within the next 6 months. She explained that there were some legacy issues with the way data was collected across the three schemes and records in the 1992 scheme were particularly sparse and, in some cases, only the data needed to calculate benefits had been collected. The Team would be carrying out work to improve the data on the 2015 scheme and with the changes in personnel in the team, improvements were already been seen.

Barnaby Briggs noted that as the figures improved, members would begin to get letters about their scheme membership and he urged Employee Representatives on the Board to work with the Team to correct membership records and ensure members were being properly represented. The improved resources in the team were noted and thanks were extended to the Team for the work to date.

## **7. McCloud - Age Discrimination Remedy and Immediate Detriment Guidance**

Victoria Jenks, Pensions Admin Delivery Lead presented this report which set out the current position on the approach to removing the age discrimination as found in the McCloud/Sargeant Employment Tribunal litigation. The report detailed the government's proposals set out in the Age Discrimination (McCloud) consultation which related to the option for members to choose between receiving legacy or reformed scheme benefits in respect of their service during what was known as 'the remedy period' (between 1 April 2015 and 31 March 2022) and the two possible approaches (an immediate choice or a deferred choice underpin). The report also explained the guidance issued by the Home Office in relation to the processing of 'immediate detriment' cases in advance of a decision on the Government's final approach.

Victoria Jenks explained that some challenges had been created by the guidance as members had complex records and benefits and therefore each case had to be assessed on its own merits and where it was possible to do, the guidance would be followed so that retiring members could get benefits on final salary now rather than await a recalculation in April 2022.

Barnaby Briggs reiterated thanks to the Pensions Team for their approach to immediate detriment cases.

## **8. Next Steps**

In response to a query on the Board receiving an update on the outsourcing arrangements, Liz Firmstone indicated that the Team wanted to get data quality up to a higher standard before moving ahead with outsourcing to ensure that the best quality data was handed over.

## **9. Any Other Business**

None.

**10. Future Meeting Dates**

The schedule of future meeting dates was agreed as follows:

- Thursday, 4 March 2021
- Tuesday, 14 September 2021
- Tuesday, 9 November 2021
- Monday, 14 February 2022
- Tuesday, 10 May 2022

All meetings would be held at 2.00pm in Shire Hall or virtually (subject to government guidance).

The meeting rose at 2.36pm

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Chair



## Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

### Terms of Reference

4 March 2021

#### Recommendation(s)

1. The Local Pension Board of the Firefighters' Pension Scheme ("The Local Pension Board)" comments on the draft updated terms of reference.

#### 1. Executive Summary

- 1.1 This report sets out a revised and updated Terms of Reference for the Local Pension Board along with specific protocols for its periodic review in the future. This review actions recommendations from the recent governance review of The Pensions Regulator code of practice requirements.
- 1.2 The Local Pension Board operates within the defined terms of reference which were put in place when the Board was formed in 2015. The key changes to the document are highlighted below:

Section	Change
3.9	Protocol introduced for employer representatives
3.10	Protocol introduced for identifying and selecting employer and member representatives
4.2	Protocol introduced for chairing the board if the Chair is not in attendance
7.4	Protocol introduced for setting the terms of reference for sub-groups
9.1	Meeting frequency updated to quarterly
9.2	Annual schedule of meetings must now include a forward plan of future agenda items
9.4	Protocol introduced for meeting location and timing
9.5	Protocol introduced for exempt / confidential reports
9.6	Protocol introduced for calling special meetings
11.2	Code of conduct updated in respect of County Councillor responsibilities
15.3	Reference added for training costs
15.4	Protocol introduced for claiming expenses
15.5	Protocol introduced for setting budget for Board costs
17	Scope for reporting breaches section broadened to encompass breaches or wider concerns, including specification for reporting to the Scheme Administrator, pension committees and scheme members

#### 2. Financial Implications

2.1 None

### 3. Environmental Implications

3.1 None

### 4. Supporting Information

4.1 The Terms of Reference have been updated to reflect the use of virtual meetings.

4.2 The Terms of Reference include the Board's Conflict of Interest Policy as Annex A.

### 5. Timescales associated with the decision and next steps

5.1 The Terms of Reference are required to be approved by the County Council and this will be sought following comments by the Local Pension Board and Staff and Pensions Committee. Revised Terms of Reference will only come into effect following Council approval.

### Appendices

1. Appendix 1 – Draft Terms of Reference

### Background Papers

1. None

	<b>Name</b>	<b>Contact Information</b>
Report Author	Neil Buxton	neilbuxton@warwickshire.gov.uk
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Lead Director	Rob Powell	<a href="mailto:robpowell@warwickshire.gov.uk">robpowell@warwickshire.gov.uk</a>
Lead Member	Peter Butlin	<a href="mailto:peterbutlin@warwickshire.gov.uk">peterbutlin@warwickshire.gov.uk</a>

The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: N/A

**Terms of Reference for the  
Warwickshire Fire and Rescue Local Pension Board of the Firefighters'  
Pension Scheme**

**1) Introduction**

- 1.1 The Public Services Pensions Act 2013 (the '2013 Act') requires the establishment of a Pension Board with responsibility for assisting the Scheme Manager in securing compliance with all relevant pensions laws, regulations and directions and the Pension Regulator's Codes of Practice.
- 1.2 This document sets out the terms of reference for the Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme (Warwickshire) (the 'Pension Board').

**2) Role and Responsibilities of the Pension Board**

- 2.1 The role of the Pension Board as defined by The Firefighters' Pension Scheme (amendment) (Governance) Regulations 2015 (the 'Regulations') is to -

2.1.1 Assist the Scheme Manager -

- (a) to secure the effective and efficient governance and administration of the Firefighters' Pension Schemes ("FFPS") by effectively and efficiently complying with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator;
- (b) to secure compliance with the Regulations and any other legislation relating to the governance and administration of the FFPS;
- (c) to secure compliance with requirements imposed in relation to the FFPS by the Pensions Regulator; and
- (d) in such other matters as the Regulations may specify

2.1.2 Provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest;

2.1.3 Produce an annual report to the Scheme Manager outlining the work of the Pension Board throughout the scheme year.

- 2.2 The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

- 2.3 The Pension Board will not have decision making powers in relation to the FFPS

other than to refer issues to the Pension Regulator.

### **3) Membership**

- 3.1 The membership of the Pension Board shall consist of seven (7) members each to include -
- a. Scheme Member Representatives x 3
  - b. Employer Representatives x 3
  - c. Independent Representative x 1
- 3.2 Scheme Member and Employer Representatives to remain equal at all times.
- 3.3 Scheme Member Representatives to ensure a broad representation of scheme membership - for example to include deferred and pension representation.
- 3.4 In compliance with section 4.B(3) of the Regulations, elected members or officers of Warwickshire County Council with delegated authority for discharging the scheme manager function may not serve as employer representatives.
- 3.5 Independent Representatives shall comprise one individual to be appointed by the Scheme Manager following a recruitment and selection process involving role specification, application form, shortlisting and interviews accordance with current Warwickshire County Council's policies and procedures.
- 3.6 The Chair of the Pension Board shall be the Independent Representative. It will be the role of the Chair to ensure that all members of the Pension Board show due respect for process, that all views are fully heard and considered and to determine when consensus has been met.
- 3.7 Attendance is expected of Board members at all meetings; due to the specialist nature of the work, no substitutions are allowed.
- 3.8 In the event of consistent non-attendance, or failure to achieve and maintain the required level of knowledge and skills by any Board member, then the tenure of that member should be reviewed by the Chair in liaison with the Scheme Manager. The Scheme Manager will have the final decision on whether to remove the Board member.
- 3.9 Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the Scheme

Manager:

1. in consultation with the Board members
2. or in the case of an Elected Member of Warwickshire County Council acting as a Board Member, ceasing to hold office, as an Elected Member.
3. In the case of an officer of Warwickshire County Council acting as an Employer Representative, ceasing to hold that office.

3.10 The Scheme Administrator will be responsible for identifying and evaluating employer representatives and scheme members from the membership. The Scheme Administrator, after consulting with the Chair of the Board, may determine and undertake an evaluation process to ensure that potential new Board members understand and are able to undertake the role.

#### **4) Quorum**

- 4.1 Three (3) members of the Pension Board will represent a quorum for Pension Board meetings to go ahead.
- 4.2 In the absence of the Chair of the Board at a meeting, the meeting may be chaired by a senior officer of the Scheme Administrator. Officers may not chair the meeting whilst presenting agenda items.

#### **5) Conflicts of Interest**

- 5.1 The 2013 Act requires that members of the Pension Board do not have conflicts of interests. As such all members of the Pension Board will be required to declare any interests and any potential conflicts of interests in line with legal requirements in the Act and the Pension Regulator's Code. These declarations are required as part of the appointment process, as well as at regular intervals throughout a member's tenure to the Scheme Manager's satisfaction.
- 5.2 A Conflicts of Interest policy with which members of the Pension Board must comply is included at Annex A to these Terms of Reference.

#### **6) Board Review Process**

- 6.1 The Pension Board will undertake each year a formal review process to assess how well it and the members are performing with a view to seeking

continuous improvement in the Board's performance.

## **7) Advisers to the Board**

- 7.1 The Pension Board may be supported in its role and responsibilities through the appointment of advisers and shall (subject to any applicable regulation and legislation from time to time in force) consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties including -
- a. the Fund's Administration Manager,
  - b. the Fund's Legal Adviser,
  - c. the Fund's Section 151 Officer; and
  - d. other advisers so approved by the Scheme Manager.
- 7.2 This will be done on an 'as required' basis; any advisor attending a Board meeting is not a Board member and does not have a vote. If required, sub-groups may be established to assist the Board. The Terms of Reference for sub-groups will be set by the Board in consultation with the Scheme Manager.
- 7.3 The advisers shall support the Pension Board in delivering the Board's responsibilities by:
- e. providing advice as requested by the Board;
  - f. having regard to the need effectively and efficiently comply with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator;
  - g. having regard for the need to secure compliance with the FFPS regulations and any other legislation relating to the governance and administration of the FFPS
  - h. notifying the Board of any matter which they decide the Board may need to know to carry out its responsibilities; and
  - i. providing the Board with access to information as required.

## **8) Knowledge and Skills**

- 8.1 Members of the Pension Board must have full capacity to act and will be expected to have good sound knowledge of the FFPS rules and administration, pension law and regulations.
- 8.2 The performance of Board members will be assessed on a periodic basis by the Scheme Manager to ensure that all members are adequately meeting their duties. Poor performance will result in corrective action being taken, and in exceptional

circumstances the removal of the Board member.

- 8.3 Pension Board members must be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Board members are therefore required to maintain a written record of relevant training and development.
- 8.4 Pension Board members will comply with the Scheme Manager's training policies.
- 8.5 Board members will undertake a personal training needs analysis undertaken on behalf of the Scheme Manager and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

## **9) Board Meetings**

- 9.1 The Pension Board will meet quarterly.
- 9.2 The Scheme Manager will undertake the committee secretariat functions for the Board and will ensure that:
  - a. facilities are available to hold meetings;
  - b. an annual schedule of meetings and forward plan of agenda items is organised and shared with members;
  - c. suitable arrangements are in place to hold additional meetings if required - ensuring adequate notice;
  - d. papers are distributed at least 5 clear working days before each meeting except for exceptional circumstances;
  - e. a formal record of Pension Board meetings is maintained; and
  - f. following the approval of the minutes by the Chair, they are circulated to all Board members.
- 9.3 Meetings will be open to the public and scheme members to observe subject to paragraph 9.5 below.
- 9.4 Board meetings may be held at the Scheme Manager offices in Warwick, or remotely, with the specific location or meeting method published with the agenda. Meetings will be held during normal office hours.
- 9.5 Agenda items will normally be public papers. However, an agenda item may meet the criteria to be exempt from publication and be heard in private session. Reports must meet the County Council's standards for being made exempt. Board members must maintain the confidentiality of exempt reports and discussions.

9.6 Additional special meetings of the Board may be convened at the request of the Scheme Manager or by the Board through a majority vote.

## **10) Remit of the Board**

10.1 The key priority for the Board is to focus on the administrative performance of the Fund, including the roles and responsibilities outlined in section 2 of these Terms of Reference.

## **11) Standards of Conduct**

11.1 The role of Pension Board members requires the highest standards of conduct and the “seven principles of public life” will be applied to all Pension Board members and embodied in their code of conduct. These are:

- a. Selflessness;
- b. Integrity;
- c. Objectivity;
- d. Accountability;
- e. Openness;
- f. Honesty; and
- g. Leadership.

11.2 Any elected Member scheme representative is also responsible for adhering to the County Council Member code of conduct.

## **12) Decision Making**

12.1 The Pension Board is expected to operate on a consensus basis; however each Scheme Member Representative and Employer Representative member will have individual voting rights. Independent Members shall have no voting rights. In the event that consensus cannot be reached, a vote will be taken. The Chair should report to the Scheme Manager when a decision is reached in this manner.

## **13) Publication of Pension Board information**

13.1 Scheme members and other interested parties will want to know that the Fund is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with Scheme regulations, the governance and administration of the Scheme and requirements of the Pension Regulator.

13.2 Up-to-date information will be posted on the Scheme administrator’s website



showing:

- a. The names of the Pension Board members;
- b. How the Scheme members are represented on the Pension Board;
- c. The responsibilities of the Pension Board as a whole;
- d. The full terms of reference and policies of the Pension Board and how they operate;
- e. The Pension Board appointment process;
- f. Who each individual Pension Board member represents; and
- g. Any specific roles and responsibilities of individual Pension Board members.

13.3 The Pension Board papers, agendas and minutes of meetings will be published on the Administrator's website. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 2018.

13.4 The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

#### **14) Accountability**

14.1 The Pension Board will be collectively, and members individually, accountable to the Scheme Manager.

14.2 The expenses of the Board will be collectively, and members individually, accountable to the Scheme Manager.

#### **15) Remuneration**

15.1 Remuneration for Pension Board members will be limited to a refund of actual expenses incurred in attending Board meetings. The Chair remuneration will be agreed on appointment and reviewed every three (3) years.

15.2 The expenses of the Pension Board are to be regarded as part of administration costs.

15.3 Training and associated costs will be met by the Scheme Manager.

15.4 Any costs / expenses must be claimed within three months of being incurred.

15.5 The Scheme Manager will set a budget each year for the Board costs including expenses, remuneration, training, professional advice, and costs incidental to conducting the business of the Board.

## **16) Tenure**

16.1 Tenure period for Board members will be for a three (3) year period on a rolling appointment basis - up to a maximum of nine (9) years.

16.2 The term of office for the Chair will also be for a three (3) year period at which point it will be the decision of the Scheme Manager to confirm reappointments.

16.3 Resignation of Board members will be documented in writing to the Chair. A suitable notice period must be given which is no less than one (1) month.

## **17) Reporting Breaches**

17.1 Any breach brought to the attention of the Pension Board whether potential or actual shall be dealt with in accordance with the procedure set out in a separate policy document.

17.2 The Board may report concerns to the Scheme Administrator and may report concerns to decision making pension committees.

17.3 Breaches and concerns will be documented and made available with the published Board papers, except where a report is exempt.

## **18) Review**

18.1 These Terms of Reference may be reviewed and amended at any time by the Scheme Manager in consultation with the Board, and any changes communicated to the Pension Board in advance of the next Board meeting.

## **19) Definitions**

19.1 The following terms shall have the following meaning when used in this document:

*“Pension Board” or “Board”* Means the local Warwickshire Fire and Rescue Pension Board for the administering authority for the Warwickshire Pension Fund as required under the Public Service Pensions Act 2013.

*”Scheme* Means Warwickshire County Council

*Manager”“Chair”* Reference to duties to be performed, or authorities exercised, by the Chair.

*“FFPS”* Means the Fire fighters Pension Schemes as constituted by the Firefighters Pension Scheme (Amendment) (Governance) Regulations 2015.

*“* .

## **20) Interpretation**

20.1 Any uncertainty or ambiguity or interpretation required relating to any matters contained in these Terms of Reference shall be resolved by reference to the Scheme Manager.

**Annex A to  
Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension  
Scheme**

**Conflicts of Interest Policy**

**Introduction**

The Public Sector Pensions Act 2013 requires that members of the Local Pension Board (the Board) do not have conflicts of interests. As such all Board Members (Members) will be required to declare any interests and any potential conflicts of interests in line with legal requirements in the Act and the Pension Regulator's code. These declarations are required as part of the appointment process, as well as regular intervals throughout a Member's tenure to the Scheme Manager's satisfaction.

**Conflict of Interests - General Principles**

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 Board. The basic principle in relation to conflicts of interest can be found in the High Court case of *Re Thompson's Settlement* [1986] where the Court held that:

*'...a man must not put himself in a position where duty and [personal] interest conflict or where his duty to one conflicts with his duty to another unless expressly authorised'*

Conflicts of interest may arise for Members and their advisers. This simply reflects the fact that individual Members and their advisers will have a variety of other roles and responsibilities outside the Board.

Members and their advisers must be able to identify potential conflicts of interest and have procedures in place to manage them. This document outlines the procedure the Members have adopted to do this.

**Procedure**

For this procedure to work the Members have agreed that they must:

- declare any actual or potential conflict of interest they may have;
- be open with each other on any conflicts of interest they may have;
- provide information reasonably requested to assess whether there is any actual or potential conflict of interest;
- adopt practical solutions; and
- plan ahead and agree on how they will manage any conflicts of interest which arise.

With these objectives in mind the Members have adopted the following procedure:

1. Maintaining a register of Members' interests which could give rise to a conflict.
2. Maintaining a register of interests which could give rise to a conflict covering the Members' advisers.
3. Each Member and adviser will sign an annual return confirming that their information contained in the register of interests is correct. The updated register will then be

circulated to all Members and the Scheme Manager. These two events will be added to the Members' calendar of events distributed with each set of Member meeting papers.

4. The Board's Administration Manager is to identify any potential or actual conflicts of interest and to advise the Chair. The Chair in conjunction with the Scheme Manager is to decide on the action required and to advise the Members of any actions taken.
5. Any Member who feels that they, another Member or adviser has a conflict of interest must seek early advice from the Administration Manager.
6. Any member or advisor must withdraw from a Board meeting if they have a conflict of interest. The conflict of interest and the action taken must be recorded in the minutes.
7. If a conflict is identified outside of a Board meeting the Chair shall consult with the other Members prior to making a decision. The conflict of interest and the action taken must be recorded.

### **Management of confidential information**

With regard to Members sharing confidential information received by them in their capacity as a Board Member with other parties, it is important to remember that each Member has a fundamental responsibility to act on behalf of the Board and this duty should not be compromised by acting on behalf of other groups.

### **Advisors**

There may be circumstances where advisors are asked to give advice to the Board but this can only happen where there is no conflict of interest. All of the Board's advisors have a professional responsibility to advise the Members if any circumstances arise in which they feel they are conflicted. These responsibilities and guidelines for dealing with actual or potential conflicts of interest are covered by rules of their respective professional bodies.

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**Warwickshire Fire and Rescue Local Pension Board of the  
Firefighters' Pension Scheme**

**Pensions Administration update**

4 March 2021

**Recommendation(s)**

1. Local Pensions Board to note this report.

**1. Executive Summary**

- 1.1 This report updates the board on key developments affecting Fire pensions administration and the performance of the Pensions Administration Service.

**2. Financial Implications**

- 2.1 All financial implications are dealt with in the body of the report.

**3. Environmental Implications**

- 3.1 None

**4. Pensions Administration Service (PAS)**

**4.1 Breaches**

The Pensions Regulator (the Regulator) has a Code of Practice no 14 (the Code) for the governance and administration of public service pension schemes. This is not a statement of law, but it carries great weight. One of the requirements of the code is to record and report, when stakeholders do not deliver on their statutory obligations.

- 4.2 To date only 1 breach has been recorded, relating to the non-deduction of pension contributions by payroll. This has not been reported to the Regulator as it was not materially significant, as only 1 individual was affected. A review of payroll and pension processes have been undertaken and changes made where required.

**5 Internal Disputes (Internal Dispute Resolution Procedure – IDRP)**

- 5.1 The Fire service's IDR process was agreed in 2016. The Staff and Pensions committee authorised the Chief Fire Officer to nominate a Senior Fire Officer to deal with Stage 1 disputes, and the Chief Fire Officer to make stage 2 decisions, with advice from legal services.
- 5.2 There have been 3 stage 1 cases raised between October and December 2020. 2 were relating to decisions made by the Fire service as the members employer. 1 case raised is regarding a specific fire pension scheme regulation. 2 cases have not been upheld. 1 case has been upheld and referred to Human Resources.

## **6. McCloud/Sergeant update**

- 6.1 The Courts determined that the protections afforded to some members of the public service pension schemes, following the review by Lord Hutton and introduced in 2015 for fire pension schemes, were age discriminatory and unlawful.
- 6.2 The Government have now released their response to the consultation and have indicated that they intend to proceed with the deferred choice underpin option. This means that members will make a decision between which scheme they wish to have benefits based on for the remedy period, shortly before benefits are paid from the scheme.
- 6.3 For the PAS this will mean a change to how benefits are calculated going forward and the need to recalculate benefits for a large proportion of members who have left the scheme since 2015.
- 6.4 This is likely to impact significantly on pensions and payroll administration processes and systems as well as requiring a robust communication exercise for scheme members.
- 6.5 A Full Business Case to set up a formal project for managing the implementation of the McCloud remedy for both the Fire and Local Government Pension Schemes was approved by the Portfolio Change Board on 11 November 2020 and work has now commenced on establishing activity on the various workstreams.
- 6.6 This is a significant project, and there is expected to be a considerable cost to implementing the McCloud remedy. In addition to the extra staffing that will be needed in the Pensions Administration and HR / Payroll functions, technical project management is required to ensure that the remedies are being implemented in a way that meets our statutory obligations. There will also be costs relating to communications with scheme members, to data quality management and to the changes needed to pension software.
- 6.7 Aon have been appointed as Project Manager.



- 6.8 The total estimated cost of implementing the McCloud remedy is £22,000.

## **7. Home Office Immediate detriment guidance**

- 7.1 Fire and Rescue Authorities (FRAs) have been advised that they need to take a cautious approach in following the Home Office guidance, as any legal advice taken would not form protection against FRAs who act outside of their vires or make incorrect conclusions in the calculation of the value of pension benefits.
- 7.2 We understand that the Home Office asserts that the legal position which underpins the application of the guidance in the note for non-claimants (those not covered by the interim order) is Section 61 of the Equality Act. The effect of Section 61 is being contested in the FRAs' appeal under Schedule 22 of the Equality Act, in which they argue that they were required to follow the pensions regulations and so by law had no choice but to implement the transitional protections for older firefighters. This case was being held in December and an update is expected imminently. A verbal update will be provided at the meeting, should this be available.
- 7.3 The County Council's Section 151 Officer has delegated responsibility for payments in respect of all liabilities falling to be discharged by the Council which are not otherwise detailed in financial regulations.
- 7.4 Following legal advice, it has been decided that retirement cases for those members who fit the criteria for immediate detriment, will be assessed on a case by case basis and the guidance followed for non-complex cases. Information sent to members affected will be caveated to confirm how their benefits have been calculated using this guidance and will need to be revisited once the government's approach to removing the discrimination has been finalised. This is likely to be after April 2022.

## **8. Data scores**

- 8.1 The quality of the data held on Fire scheme member records is measured each year and reported to the Pensions Regulator (TPR).
- 8.2 The overall data scores for common data is 96% for 2020. Common data items are name, date of birth and address.

The scores split between the 3 fire schemes are as follows:

1992 Scheme 97.7%  
2006 Scheme 91.8%  
2015 Scheme 96.2%

- 8.3 The overall data scores for scheme specific data is 58.8% for 2020. Scheme specific data are items such as pay, transfer in details, Career Average Revaluated Earnings (CARE) data, HMRC data, etc.

The scores split between the 3 fire schemes are as follows:

1992 Scheme 49.1%  
2006 Scheme 90.5%  
2015 Scheme 51.7%

- 8.4 From the split of the scores, we can see that there are issues with both 1992/2015 schemes, that are a priority for being addressed. It is encouraging to see that the 2006 data does not have any significant issues.
- 8.5 However, data that may be missing for 1992 scheme members, who have retired, will not be addressed as these are classed as a 'legacy issue'. Many records for 1992 scheme members were only set up after the member had left and the basic information required for the payment of benefits added. Because of this the improvements to the overall score may be limited to the work that can be done for the 2015 scheme data.
- 8.6 For the 2015 scheme the process for adding data to scheme records, going forward have been improved, so that data will be added monthly. That should mean that once the data corrections from this year have been completed we should not have a further build up of missing data.
- 8.7 These scores are created using our software provider, Aquila Heywood's data quality reporting tool. Aquila Heywood's understanding of the Firefighter's Pension Scheme data, benefit calculations, interfaces and processes have assisted in the agreement of which items to test. A benchmark of 90% has been agreed between Warwickshire and Aquila Heywood.
- 8.8 A data correction plan has been created highlighting key data issues that require review and the suggested priority order. This data correction plan has been discussed with the lead officer for fire pensions administration and the work has been scheduled to be completed by 30 June 2021.

## **9. Outsourcing update**

- 9.1 It remains the Finance Service's intention to out-source Fire Pensions administration, in order to manage and mitigate the risks associated with having to service a very specialised area for a relatively small number of members. However, this work has been paused, pending implementation of the data correction plan (see section 8 above). This is in order that the data transferred to any new provider is of sufficient quality that they will be in a position to meet the requirements of the proposed contract.
- 9.2 Work will be undertaken during the first half of 2021 to ensure that contract documentation is ready, in order to invite tenders as soon as we are satisfied

that our data quality is of a sufficient standard.

## 10. Timescales associated with the decision and next steps

None

### Appendices

None

### Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: None

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## Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

### Risk Monitoring

4 March 2021

#### Recommendation(s)

1. That the Warwickshire Fire and Rescue Local Pension Board notes and comments on the report.

#### 1. Executive Summary

- 1.1 The report identifies the risks to the administration of the Firefighter Pension Schemes and actions to manage them.
- 1.2 Future reports will provide an update on the risks.
- 1.3 The Risk Register is detailed in Appendix 1.

#### 2. Financial Implications

- 2.1 None

#### 3. Environmental Implications

- 3.1 None

#### 4. Supporting Information

- 4.1 The risk register scores set out are based on the following convention:  
  
Gross risk – risk before mitigating actions  
Net risk – risk after mitigating actions
- 4.2 Risk probability and impact are classified into 4 categories as follows:

		Likelihood			
		Unlikely 1	Possible 2	Likely 3	Very Likely 4
Impact	Very High 4	4	8	12	16
	High 3	3	6	9	12
	Medium 2	2	4	6	8
	Low 4	1	2	3	4

4.3 Risk impact and likelihood are multiplied together to provide an overall risk score. Red risks are those with scores of 10 or higher, green risks have scores of 3 or lower, and the remainder are amber.

## 5. Timescales associated with the decision and next steps

5.1 The risk register will be monitored quarterly through the year.

### Appendices

1. Appendix 1 – Risk Register Actions

### Background Papers

1. None

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: None

Ref	Risk	Cause	Effect	Risk Owner	Gross Risk			Existing Actions(in place or completed)	NET Risk			Further Risk Actions		
					Likelihood	Impact	Risk Level		Likelihood	Impact	Risk Level	Description (actions must be referenced to objectives in business unit plans or service plans)	Action Owner	Review Date
	Inadequate data quality	Employer not aware of data provision responsibilities Employer not having the capacity or expertise to manage and provide their data Admininstrator not escalating data issues Administrator systems or processes allowing or creating errors Covid	Reputational damage/ incorrect pension benefits paid	Pensions Administration Delivery Lead/Payroll Delivery Lead	3	4	12	Monthly monitoring of actual and potential breaches activity Embed new protocols for co-ordination with Warwickshire County Council payroll Implementation of Member Self Service	2	3	6			01/06/21
	Employee / employer contributions not paid Incorrect or late payments submitted	Employer has poor processes and procedures Lack of clarity from the administrator about expectations Lack of escalation by the Administrator Covid	additional funding required from central government Reputational risk to the Fund	Pensions Administration Delivery Lead/Payroll Delivery Lead	3	3	9	New staffing structure with more dedicated capacity for policy development and employer liaison	3	3	9			01/06/21
	Loss of service provision due to disruption	Fire Flood National event/emergency Cyber Crime Systems Failure Pandemic	Inability to pay pensioners Inability to keep data up to date leading to data inaccuracy and data backlogs	Pension Admin Delivery Lead	1	4	4	Data back ups stored off site Use of scheme administrator disaster planning processes Digital imaging of records Access to the scheme administrator's systems security facilities Creation of a cyber security policy	1	3	3	Review and update of disaster recovery plan	Pension Admin Lead	01/06/21

Ref	Risk	Cause	Effect	Risk Owner	Gross Risk			Existing Actions(in place or completed)	NET Risk			Further Risk Actions		
					Likelihood	Impact	Risk Level		Likelihood	Impact	Risk Level	Description (actions must be referenced to objectives in business unit plans or service plans)	Action Owner	Review Date
	Lack of skills and knowledge	<p>Insufficient availability of external contract service providers</p> <p>Conflicting and competing priorities and were close in respect of the scheme administrator functions</p> <p>Increasing demand and complexity within the scheme</p> <p>Pressure to maximise efficiency and minimise costs</p>	<p>data quality</p> <p>Inability to make decisions</p> <p>Inability to make decisions in a timely way</p> <p>Workload backlogs</p> <p>Inability to meet service objectives and deadlines</p> <p>Reputational damage</p> <p>Adverse impact on morale</p>	Strategy and Commissioning Manager	3	3	9	<p>Use of procurement processes to maximise contracting choices</p> <p>Training for new staff</p> <p>Documentation of procedures and practices</p> <p>Implementation of the new staffing structure and recruitment to new posts</p> <p>The implementation of a new training and development regime for staff</p> <p>Pro-active talent mapping and succession planning for internal staff</p>	2	2	4	<p>The introduction of longer term workforce planning</p> <p>Budget setting informed by cost drivers not cash limits</p>	<p>Strategy and Commissioning Manager and</p> <p>Finance Transformation Manager</p>	01/06/21
	Failure to meet governance standards	<p>Inadequate reporting to pension committees or the Local Pension Board</p> <p>Lack of training</p> <p>Out of date policies</p> <p>Not following and responding to external developments</p> <p>Lack of capacity to focus on planning and governance</p>	<p>Breaches of the law</p> <p>Decisions taken without appropriate authority</p> <p>Poor decisions taken based on inadequate information or insufficiently skilled boards, officers, or advisers</p>	Strategy and Commissioning Manager	3	3	9	<p>Training plans Local Pension Board members</p> <p>Quarterly committee and board meetings</p> <p>Review of Terms of Reference of the Local Pension Board</p> <p>Governance review by an independent expert</p> <p>Pensions administration action plan</p> <p>Rolling forward plan of fund policy reviews</p> <p>Structural separation of governance and policy from deliver</p>	2	3	6	<p>Review of terms of reference of pension committees</p>	Strategy and Commissioning Manager	01/06/21
Fraud	Any fraud	<p>Inadequate procedure notes and training of team</p> <p>no segregation of duties through workflow system Fraud in the Administration Team</p> <p>Payroll Fraud Member / dependant fraud</p>	<p>payments made to incorrect individuals or made fraudalently</p>	Pension Admin Delivery Lead	3	3	9	<p>Workflow processes have levels of authority set within them payments are set up and have to go through a process where there is a two stage authorisation, this is checked by an senior officer and signed off by a team leader</p>	2	3	6	<p>Implement any recommendations arising from the 2019 / 20 routine internal audit of pension administration</p>	Pension Admin Lead	01/06/21



Ref	Risk	Cause	Effect	Risk Owner	Gross Risk			Existing Actions(in place or completed)	NET Risk			Further Risk Actions		
					Likelihood	Impact	Risk Level		Likelihood	Impact	Risk Level	Description (actions must be referenced to objectives in business unit plans or service plans)	Action Owner	Review Date
COVID RISK														
	Administration Service Disruption	Lack of remote working facilities Staff lost to sickness Employee welfare support flexible working	Reduction in performance against KPIs that impact on members and sustainability Incorrect or missing pensioner payments Data quality deterioration Delays to administration improvements	Pension Admin Delivery Lead	3	4	12	Remote working facilities have been set up with almost all work done from home Use of video conferencing Prepared to move resources around the team to protect the payment of pensions Review priorities for KPIs and ensure protection of those that support the most vulnerable Engage with key contacts to plan how we work Expediting the use of IT to replace paper based systems	2	3	6	Review activities, procedures, signatories etc Cross train staff		01/06/21
	Inability to recover from the impacts of the pandemic (Covid)	Significant staff absence (pensions team and employer) Loss of systems Significant gaps in data or data quality during the crisis (pensions team and employer) Significant backlogs in data submissions (employer)	Poor quality for a significant period of time Significant costs to get data back to acceptable standards	Pension Admin Delivery Lead/Payroll Delivery lead	3	3	9	Regular review of the situation Keeping recovery in mind when taking actions during the crisis	2	3	6			01/06/21

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## Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

### Forward Plan

4 March 2021

### Recommendation(s)

1. That the Warwickshire Fire and Rescue Local Pension Board (the Board) notes and comments on the forward plan
2. That the Board identifies any areas of interest or activity to add to the forward plan.

### 1. Executive Summary

- 1.1 This report provides an updated rolling forward plan for the Board looking forward one year.
- 1.2 This is not intended to be rigid or definitive, the intention is that it can be updated and amended on a rolling basis at each meeting and be informed by the latest developments.
- 1.3 The table below sets out the current schedule of meetings

#### Pension Board Meeting Dates

2020/21 Q4	2021/22 Q1	2021/22 Q2	2021/22 Q3	2021/22 Q4
4 March 2021	8 June 2021	14 September 2021	9 November 2021	14 February 2022

### 2. Financial Implications

- 2.1 None

### 3. Environmental Implications

- 3.1 None

#### 4. Supporting Information

- 4.1 Appendix 2 is a schedule of policies and when the administration service plan to have these prepared for the Board to comment on.
- 4.2 Until the policies have been drafted the administration service will continue to rely on the LG policies where appropriate.

#### 5. Timescales associated with the decision and next steps

- 5.1 None

#### Appendices

- 1. Appendix 1 – The Forward Plan
- 2. Appendix 2 – Policy Schedule

#### Background Papers

- 1. None

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The report was circulated to the following members prior to publication:

Local Member(s): None  
Other members: None

## Warwickshire Fire Pension Schemes Pension Board

## Forward Plan items

## Appendix 1.

Q4 March 2021	Q1 June 2021	Q2 September 2021	Q3 November 2021	Q4 February 2022
	<b>Standing Items</b>			
Minutes of Previous Meeting	Minutes of Previous Meeting	Minutes of previous meeting	Minutes of Previous Meeting	Minutes of Previous Meeting
Administration Activity and Performance update	Administration Activity and Performance update	Administration Activity and Performance Update	Administration Activity and Performance update	Administration Activity and Performance update
Risk Register	Risk Monitoring	Risk Monitoring	Risk Monitoring	Risk Register
Forward plan	Forward plan	Forward Plan	Forward plan	Forward plan
	<b>Bespoke Items</b>			
Highlight of New / Emerging Sector Issues			Chairs Annual Report	
			tPR Issues – Survey Results and Plan for Fire Pensions Governance Review	
	<b>Policies</b>			
Terms of Reference / Conflicts of Interest	Cyber Security Breaches Policy	Pension Discretions	Administration Strategy Communication policy	
	<b>Training</b>			
	Training Plan for Board members		To be confirmed	To be confirmed



## Warwickshire Fire and Rescue Service, Pension Policies and Strategies

## Appendix 2

Policy	Description	Forum for approval	Last review date	Frequency of review	Next review date	Notes
Administration Strategy	This policy sets out the respective responsibilities of the County Council (as the employer) and the pension administrator. This statement seeks to promote good working relationships and ensure agreed standards of quality in the delivery of the pension administration service.	Staff and Pensions Committee		Annual	November 2021	
Breaches Policy	This policy sets out the approach taken to reporting breaches of the law.	Staff and Pensions Committee		Annual	June 2022	
Communications Policy	This policy sets out how the pension administrator will communicate with stakeholders	Staff and Pensions Committee		Annual	November 2022	
Conflicts of Interest Policy	This policy ensures conflicts of interest	Staff and Pensions Committee	2015	As required	March 2021	On the agenda for March 2021

	are managed appropriately in respect of pension matters					
Cyber Security Policy	This policy is required to provide assurance that pension records are protected	Staff and Pensions Committee		Annual	June 2022	
Risk Register	The risk register is a tool used to effectively identify, prioritise, manage and monitor associated risks	Staff and Pensions Committee	March 2021	Annual	February 2022	Reported quarterly to the Board
Pension Discretions	The County Council (as the employer) is required to maintain a policy document on the discretions under the various Fire Pension Scheme Regulations	Staff and Pensions Committee		Annual Review	September 2022	
Local Pension Board Terms of Reference	This document sets out the objectives and operations of the Local Pension Board and how the Board operates in order to deliver them	County Council	2015	As required	March 2021	On the agenda for March 2021