

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

Tuesday 9 November 2021

Minutes

Attendance

Committee Members

Martin Reohorn (Chair)
Barnaby Briggs
Caroline Jones
Sian Marsh
Paul Morley

Officers

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance
Liz Firmstone, Service Manager (Transformation)
Victoria Jenks, Pensions Admin Delivery Lead
Ian Marriott, Delivery Lead – Commercial and Regulatory
Deborah Moseley, Senior Democratic Services Officer

1. General

2. Apologies

Tony Morgan

3. Board Members' Disclosures of Interest

None.

(1) Minutes of the Previous Meeting

The minutes of the previous meeting were agreed as a true and accurate record.

Board Members received confirmation that a report would be presented to the next meeting of the Full Council seeking appointment to the vacant seat on the Board.

4. Chair's Annual Report to the Board 2020/21

The Chair presented his annual report which would be placed before the next meeting of the Pension Fund Investment Sub Committee.

The report was noted.

5. Forward Plan

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, presented this report to the Board which set out a rolling forward plan for a one-year period.

In response to questioning regarding the new administration service, the Board were advised that a representative of West Yorkshire Pension Fund would attend a future Board meeting to provide an administrative update and the Warwickshire Pension Service would report on contractual updates.

The Board noted the Forward Plan.

6. Risk Management

Neil Buxton, Technical Specialist - Pension Fund Policy and Governance, presented this report which provided an update on the risks facing the administration of the pension service and actions taken to manage them. Risks related to the coronavirus pandemic had been reviewed, based on the experience of the service to date which had resulted in a slightly lower risk score. Officers had also begun to look at the risks presented by the appointment of an external administrator and the associated impact on existing risk factors.

The Chair sought further information regarding cyber security which had received a relatively high rating. Neil Buxton noted that this reflected the position for the whole industry, due to the emphasis placed on cyber security by The Pensions Regulator for both public and private pension funds. He advised that the Cyber Security Policy was due to be presented to the Board in February 2022. The service was reliant upon Warwickshire County Council infrastructure for cyber security which provided a degree of comfort and conversations were ongoing with colleagues in ICT to conduct penetration testing, scenario testing and an external audit. Risks in relation to the transfer of administrative activity to West Yorkshire Pension Fund would need to be addressed. Vicky Jenks, Pensions Admin Delivery Lead, advised that the transfer was at the mobilisation stage and significant liaison was taking place with the information security team. A security risk assessment would need to be completed to ensure that West Yorkshire Pension Fund had sufficient policies in place to manage the cyber risk and would be able to meet the Pension Fund's security criteria.

The Board welcomed the cautious approach and noted the report.

7. Pensions Administration Activity and Performance Update

Vicky Jenks, Pensions Admin Delivery Lead, presented this report which provided an update on key developments affecting Fire pensions administration and the performance of the Pensions Administration Service as comprehensively set out in the report, including the change of service

provider, breaches, internal dispute resolution procedure, pension savings statements, an update on McCloud/Sargeant and the Matthews/O'Brien case.

In response to a question regarding the process in terms of annual allowance breaches, Vicky Jenks advised that pension savings statements would show occasions when there had been a breach but it had been possible to carry over any previous allowance to mitigate the tax charge; when the annual allowance had been exceeded resulting in a tax charge, the service tried to provide forewarning to the member involved. Paul Morley noted that communications in this respect had been very good in recent years and commented that it would be helpful to be in a position where it was possible to alert members to the tax impacts of decisions taken around promotions etc. Vicky Jenks responded that awareness raising communication around the situations that caused an individual to exceed the annual allowance was being considered.

In response to a question regarding McCloud/Sargeant and the payment of claims, Vicky Jenks advised that any individuals who had retired since the issue of the Home Office guidance had been processed as immediate detriment cases and paid based on the legacy scheme.

In relation to the approach to the Matthews/O'Brien case, Vicky Jenks noted that guidance on how to work out benefits when there was no pay data available was awaited. Payroll had advised that year end data was available in to the 1990s. In terms of the first exercise, it was understood that an average for each station and callouts would be used to provide each member with a pension based on that average. In instances when the data was not available, the data from a similar fire service could be utilised. She noted that it would be a very complicated situation and that there would need to be some collaboration to see what data FRAs were using to reach a reasonable assumption as to what pension benefits should look like. There was some discussion around the archives that might be useable if it was legally possible to do so but some archived records may have been disposed of in the recent Bin Scan Store project.

In response to a question regarding regional collaboration, Vicky Jenks advised that four pension funds across the region had outsourced administration to West Yorkshire Pension Fund. A meeting had been held on 8 November 2021 to test the appetite for collaboration as a group of customers to ensure that the needs of all four FRAs were being met and to identify any efficiencies of scale could be generated through adopting similar methods of working with West Yorkshire Pension Fund. This had generated some interest from the FRAs and more collaboration meetings would follow.

The Chair asked about the delegations that had been agreed by the authority in respect of voluntary scheme pays as opposed to mandatory scheme pays and Vicky Jenks advised that fire scheme discretions, including scheme pays, would be reviewed to ensure they were adequate.

The Board noted the update.

8. Any Other Business

None.

9. Future Meeting Dates

The dates of future meetings were noted and whilst it was hoped to meet in person in the near future this would be subject to any restrictions in place.

The meeting rose at 2.35pm

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Chair