

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

Wednesday 15 February 2023

Minutes

Attendance

Committee Members

Martin Reohorn (Chair)
Barnaby Briggs
Caroline Jones
Paul Morley
Tony Morgan
Councillor Brian Hammersley

Officers

Liz Firmstone, Service Manager (Transformation)
Victoria Jenks, Pensions Admin Delivery Lead
Jan Cumming, Senior Solicitor and Team Leader
Lisa Eglesfield, Team Lead Benefits
Andy Carswell, Democratic Services Officer
Martin Griffiths, Technical Specialist Pensions Fund Policy and Governance

Others Present

Helen Scargill, West Yorkshire Pension Fund
Matthew Mott, West Yorkshire Pension Fund

1. General

(1) Apologies

No apologies were received.

(2) Board Members' Disclosures of Interest

Barnaby Briggs declared an interest as an immediate detriment case.

(3) Public Minutes of the Previous Meeting

The minutes of the meeting held on 7 November 2022 were approved as an accurate record.

2. Risk Monitoring

An update was provided by Vicky Jenks (Pensions Admin Delivery Lead), who advised there had been two amendments made to the risk register. The first was a pensions dashboard readiness indicator, which had been suggested by officers from the West Yorkshire Pension Fund as a way of ensuring officers were aware of their responsibilities regarding data and that it was of a sufficiently high standard that would allow pension holders to access it via the dashboard. The policy schedule had also been updated so relevant officers were aware of when the policies they were responsible for needed to be reviewed or updated. Work was taking place to identify which officers would be best placed to look at the reviews and ensuring they were on their work programmes.

Vicky Jenks told members that the Pension Fund had received some claims relating to the second modified Matthews exercise and these were in the process of being dealt with. However consideration was being given to the potential for legal challenges arising from this, and whether this needed to be included on the risk register in its own right, or by being incorporated into another entry onto the register.

Paul Morley advised the claim was a collective one and reminded members a pay dispute was ongoing. There was the potential for further disputes in the future, which could have an effect on staff morale and wellbeing. It was agreed to revise the wording on item 3 on the risk register and elaborate on how the legal challenges could arise, and how the cumulative build-up of issues could negatively affect the administration of the pensions service.

Responding to a point raised by Barnaby Briggs, Vicky Jenks said a pandemic ought to remain on the risk register but accepted that the register did not necessarily need to specifically refer to Covid. A pandemic could refer to, for example, an influenza outbreak. Members noted that the Firefighter Pensions schemes did not have a pension strain chargeable or any assets, but accepted a point raised by Jan Cumming that the effects of Covid could have a potential impact on the Fund due to the possibility of an increased number of pension holders taking early retirement on ill health grounds. Additionally it could lead to an unavailability of staff within the Council or administrator.

Responding to a question from Councillor Brian Hammersley regarding working from home, Vicky Jenks said workers had to undergo a DSE assessment and ensure they had the correct working setup, which would then be signed off by their line manager. However there was no requirement for a full risk assessment of employees' homes to be carried out.

Members noted the amendments that had been made to the risk register.

3. Governance and Policy Update

Vicky Jenks told members that the Board's terms of reference and the conflict of interest policy had both been updated with some minor amendments and included in the report pack for information. The abatement policy had also been updated and this had been formally ratified by the Staff and Pensions Committee. This had been a requirement as a Pensions Ombudsman decision had outlined that a blanket abatement policy could no longer be applied. Additionally, cases of ill health retirement from 2015 onwards had needed to be reassessed to ensure they had

been processed under the correct schemes, and the right options had been given to members who did not qualify for an ill health benefit. New legislation would take effect from 1 October 2023 in order to address age discrimination. Work was taking place with the HR advisory team to identify these individuals and check they were assessed correctly and given the right options on retirement. If they were not then a review would be needed.

Vicky Jenks advised members that since the report had been prepared the Autumn Statement had come out, which had announced a pensions increase of 10.1 per cent and a knock-on effect to annual allowances. A consultation had been released on 10 February 2023 regarding the alignment of application of pensions increases taking effect for the new tax year for the Local Government Pension Scheme, which would have a lesser impact on annual allowances for next year. However this did not relate to firefighter pension schemes. Vicky Jenks said this may be significant because firefighters were impacted by changes to annual allowances, along with possible arrears to be paid out through the pay award.

Helen Scargill said she had had verbal confirmation from Home Office that the care revaluation dates would not be moved from 1 April to 6 April for the fire scheme. No reason had been given for this beyond there being a feeling it was not felt necessary to do, although there was a belief it could be influenced by the outcome of the Matthews decision and the increased workload on pensions administrators for the late notice of the pay award scheme. Helen Scargill said the proportion of care payments would increase, but this and the pay award would have a negligible impact on annual allowance growth. Uncertainty over the date of the pay award agreement being agreed could impact on annual allowance payments. Helen Scargill said if the pay award was not implemented before 5 April then the 2022/23 annual allowance would not be recalculated. There would be higher care pension payments in 2023/24 as a result. However the CPI opening value and the AA calculation were likely to offset each other. Helen Scargill stated her belief there would be no significant shift in either direction. The Chair said it was important to have this situation explained to pension members.

Responding to a question from Paul Morley, Vicky Jenks said temporary promotions were not pensionable in the care scheme so would not have an impact on a member's annual tax allowance. Paul Morley said some scheme members nearing retirement were considering future career options based on their potential annual allowance tax charges.

Members were told a consultation had been taking place regarding changes HMRC had been planning to implement in relation to corrections in benefit payments for age discrimination. It was intended that pension members should not expect to get any additional charges to payments they were due to receive. Vicky Jenks advised that some other changes in regulations relating to waiving liabilities and correction of benefits were also taking effect.

Members noted the updates in the report.

4. Forward Plan

Members noted the items on the Forward Plan. Member training was included as being relevant following the appointment of Councillor Hammersley to the Board. Helen Scargill said LGA training sessions included updates relating to Matthews and this could be of interest to members requiring training.

5. Administration update for Firefighter Pension schemes

Vicky Jenks advised members they were looking at the update for December, as the January report had only just been received from the West Yorkshire Pension Fund. There had been some issues with getting payroll information onto the West Yorkshire portal, although this was due to a login issue rather than anything more significant. A new member of staff had taken on the role of sorting the information to be uploaded to the portal and ensure they were up to date. A payroll training event was taking place the following week involving the Warwickshire and West Yorkshire Pension Funds, and also Leicestershire and Hereford and Worcester Fire Authorities as these were also administered by Warwickshire payroll and there was a desire to ensure consistency in data sharing processes.

Vicky Jenks said there was an awareness there were some discrepancies in pension payments being either over or under what they should be, and work to correct this was taking place. She said around 220 pensioner payments were being checked, although this did not mean that all of them were incorrect. Members were told this would need to be logged as technically it counted as a breach. An overpayments policy was being worked on to set out how to deal with correcting payments that had been made incorrectly, such as identifying what had gone wrong and how an overpayment should be handled.

Helen Scargill said the KPI relating to death, retirement and dependent pensions setup wasn't quite meeting the 100 per cent KPI target. She said this probably related to one case missing the KPI and was not something to be overly concerned with. The average setup time was seven days.

Responding to a question from the Chair, Helen Scargill said the miscellaneous works captured in the graph in the report referred to telephone calls and emails that had been received but further action had not yet taken place.

Members were told the number of website hits was now being recorded, and there had been a significant increase in the number of people looking at the annual benefit statement production section. Helen Scargill said thought would be given to targeted communication on some points of information if the number of web hits stagnated, to ensure awareness of the issues remained high. A communication on the remedial service statement had been planned as this was felt to be a particularly important issue. Helen Scargill said member online registration with the Warwickshire Fire and Rescue Service numbers were similar to other clients of the West Yorkshire Fund. She drew members' attention to other key pieces of data in the report and said there were no significant issues that required attention. She said she would clarify a point the Chair raised about 15 modified scheme members in the RDS and provide an update.

The Chair said it would be worth noting for the Board's knowledge if there was any conditional data that was missing but had no significance to the payments being made. Additionally the Chair said it would be useful if the resolutions to any issues, which again did not affect payments, were recorded.

Helen Scargill said there were a number of pensioners on the system whose records were incomplete or had incorrect periods of service recorded. The biggest issue came from 2006 where a high number of pensioners did not have their home address details recorded.

Records had been created for pensioners who had taken up the first options exercise, so the system now knew if a pension holder had paid for a service via a lump sum or continued to pay by instalment. The Chair said he was happy for a verbal update on this to be given at the next meeting.

Vicky Jenks said the January report would be sent to stakeholders and a request for feedback would be made. Any issues would be raised directly with Helen Scargill and Matt Mott.

Members noted the contents of the report.

6. Any Other Business

Barnaby Briggs stated there was likely to be an acceptance of the pay award, meaning it was unlikely there would be any industrial action. He said it would be helpful if information on how this would affect pension payments could be communicated as soon as possible.

Barnaby Briggs said he would be retiring from 31 March. It was hoped a replacement for him on the Board would be announced as soon as possible, although members were advised there was a legal process that needed to be followed before an appointment could be made. Members thanked him for his service with the Board and WFRS and wished him well in his retirement.

7. Future Meeting Dates

Members noted the future meeting dates.

The meeting rose at xxx


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Chair

