

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

Monday 4 November 2024

Minutes

Attendance

Committee Members

Martin Reohorn (Chair)
Caroline Jones
Paul Morley

Officers

Nichola Vine, Head of Legal and Governance
Andy Carswell, Democratic Services Officer
Lisa Eglesfield, Pensions Administration Service Manager
Steve Robbins, Head of Finance Transformation and Transactions

Others Present

Helen Scargill (Client Relationship Manager, West Yorkshire Pension Fund)

1. General

(1) Apologies

Apologies were received from Councillor Andy Jenns, Sian Marsh and David Vazquez.

(2) Board Members' Disclosures of Interest

There were none.

(3) Public Minutes of the Previous Meeting

The minutes of the meeting held on 23 September 2024 were approved as an accurate record.

2. Risk Review

Lisa Eglesfield (Pensions Administration Service Manager) advised members that the risk register had been updated to have the same risk scoring system as the main Pension Fund, in that risks

would be calculated by multiplying likelihood by potential impact. The update later in the meeting would be the first to use the revised scoring matrix.

The risk rating for pandemic had been reduced from a rating of five to three as the likelihood had decreased. The only risk that had been given a red level related to cyber security. A risk map had also been created and would be used going forward.

Members noted the content of the update.

3. Governance and Policy Update

Lisa Eglesfield said that, since the report had been published, the 2024 Scheme Return had been requested by the Pensions Regulator. Governance data was being collected and its quality assessed before being sent on to the West Yorkshire Pension Fund. This process needed to be completed by the deadline of 18 November.

A review of the Fund's compliance with the Pensions Regulator's Code of Compliance was taking place, which looked at the governance arrangements of the Fire and Rescue Pension Fund alongside the main Warwickshire Fund. This was being conducted by AON and would help to generate an action log that would help to ensure future compliance. Responding to a question from the Chair, Lisa Eglesfield explained the Code of Compliance had brought together different codes into a single document and the Fund had already identified areas the Code of Compliance would look at. For example, protections relating to pension transfers had now been brought in. No areas of concern had therefore been raised. Further updates on this would be raised at future meetings.

The Age Discrimination Remedy had now been revised so affected members could have their contribution amounts calculated using the net amount, as the previous method of using gross was ruled to be unfair. Work was now taking place to update remediable service statements accordingly. Helen Scargill said she did not believe this would unduly affect the required timescales for the RSSs to be submitted.

New guidance had been issued by HMRC's Governance Actuary Department regarding red cases and how some of them should be processed. Lisa Eglesfield said however that the guidance did not make it clear how all red cases should be processed. The Warwickshire Fund had written to the LGA to request advice on how to proceed. This had been acknowledged but the advice had yet to be received. The deadline for processing cases was 31 March 2025; those that were not would need to be reported to the Pensions Regulator. However there were only a small number of red cases that needed to be dealt with.

Regarding the Second Retained Exercise, a number of outstanding points had been clarified by HMRC since the last Board meeting. Additional lump sums had been confirmed as being authorised payments so the previous unauthorised payment charge payable by the pension holder and the scheme sanction charge payable by the employer no longer applied. Any arrears would be charged using the current tax rates, which meant some people may be in the higher bracket. Lisa Eglesfield said for now Funds had to follow the guidance, but it was anticipated there may be further legal challenges in future.

Information relating to the 2024 Firefighter Pension Scheme valuation needed to be returned no later than 1 December. A slightly different set of data had been requested compared to previous

years. This exercise would be completed on the Warwickshire Fund's behalf by the West Yorkshire Pension Fund. Lisa Eglesfield said employer contributions increased by around eight per cent at the last valuation, which was a significant amount.

Regarding the Pensions Dashboard, a 'nudge' campaign had recently taken place as a reminder to Schemes to have the necessary infrastructure ready for the full launch of the dashboard in October 2025. The West Yorkshire Fund had already purchased its service provider. It had been confirmed that people's existing gov.uk login details would work on the pensions dashboard. Lisa Eglesfield said the amount and quality of data needed would determine how much resource would be provided. A data reconciliation had started. Lisa Eglesfield said a tracing company may be used for this as Warwickshire did not have its own tracing contract to reconcile missing address and contact information.

Members' attention was drawn to the training that was available to members. There was a log of training that members had taken part in.

Members noted the contents of the report.

4. Forward Plan

Members were told the results of the governance review would be discussed at a future meeting. It would identify if any new policies needed to be implemented.

Members noted the contents of the Forward Plan.

5. Fire Pensions Administration Update

Lisa Eglesfield said there had been 57 expressions of interest from people who wanted a calculation relating to the Second Retained Exercise. Around a third of these calculations had now taken place, and conversations with those who had requested one had been positive. Details of positive elections were being passed on to the West Yorkshire Pension Fund.

A tracing exercise had recently been undertaken of members who had been identified as being in scope for the Second Retained Exercise. Of those, 36 were confirmed as being at the address that were on the records held by the Pension Fund; 38 had new addresses and had been written to; and three had passed away. A further 31 could not be identified and two could not be traced. A report needed to be sent to the Pensions Regulator regarding those who could not be identified or traced as this amounted to a breach. Some responses had started to be received from those members who had been written to.

Two DELTA returns had been completed with the help of the West Yorkshire Pension Fund and returned to the Home Office.

Helen Scargill said there were two unmet KPIs, relating to pension estimates and death in retirement cases. This was mainly due to staff resources, with staff concentrating on work relating to the age discrimination case, and work associated with creating pension estimates being particularly labour intensive. Additionally, in some cases information from personal records was missing that would enable staff to make the calculations that led to a pension estimate being created. The number of requests for an estimate had also increased. Death in retirement cases

had increased, and they needed to be given priority in instances where there was a beneficiary and the work needed to be processed as a matter of urgency.

Helen Scargill said steps were being undertaken to give teams more specialised work to do; rather than having staff that knew something about all aspects of pensions work, they would be trained into a field of specialism and given the remit to focus on that aspect. It was hoped this would speed up dealing with pension estimates and transfers in particular, although it was anticipated in the meantime the KPI may continue to not be met.

It was confirmed the data requested by the National Fraud Initiative had been submitted by the deadline, and had been sent on 4 October. Feedback from the auditor report had been positive.

Representatives from the West Yorkshire Pension Fund had recently attended an administrators' forum. Members there had said there was confusion regarding guidance issued by HMRC about processing red FRA cases, and little confidence that staff were certain they knew what they were doing. Helen Scargill said the Local Government Association would contact the Government Actuary Department for clarification on this issue, and if template examples could be given on how to use the calculations.

There were 33 members of the Warwickshire Fire Pension Fund where home address details were not known. Attempts would be made to contact these members, all of whom were deferred members.

Paul Morley said a recent training course he had been on had been very helpful. Regarding age discrimination cases needing to update their tax return due to updated annual allowance information, he said there was only a small number of serving firefighters in Warwickshire who would be affected by this.

Members said they were concerned about the HMRC guidance, and agreed to convene a meeting to discuss this matter further.

Members noted the contents of the report.

6. Future Meeting Dates

Members were informed of the dates of future meetings, and invites were in the process of being sent out.

7. Any Other Business

There were no additional items to be discussed.

The meeting rose at 3.06pm

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Chair