

HUMBERSIDE FIRE AUTHORITY**PENSION BOARD****27 JANUARY 2017****PRESENT:**

Employer representatives: Councillor Shepherd and P Shillito (Director of Public Safety)

Scheme Member representatives: Mr G Marshall and Mr D Riggall (Chairperson)

Executive Director Service Support/Section 151 Officer and Scheme Manager, Monitoring Officer/Secretary, Finance Manager, Finance Officer and Committee Manager and Director of Human Resources.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull. Meeting commenced at 10.30 a.m.

5322 DECLARATIONS OF INTEREST – There were no declarations.

5323 MINUTES – Resolved – That the minutes of the meeting of the Board held on 20 June 2016 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

5324 APPOINTMENT OF NEW SCHEME MEMBER REPRESENTATIVE – The Monitoring Officer/Secretary reported that Mr G Marshall had been appointed a Scheme Member representative in place of Mr R Vaux by the representative bodies via discussion and agreement at the Joint Consultative Committee. The Chairperson stated that it would have been helpful if details of membership changes and contact details were circulated to members of the Board as soon as possible after appointments were made. The Monitoring Officer/Secretary indicated that in future details would be circulated as soon as possible after any new appointment was made.

Resolved – That the report be noted.

5325 OVERVIEW OF THE FIREFIGHTER PENSION SCHEMES - The Executive Director Service Support/Section 151 Officer submitted a copy of presentation slides produced by the Local Government Association giving an overview of the Firefighter Pension Schemes, mainly for the benefit of newer members of the Board. The Finance Officer summarised the main aspects of the document.

A Member referred to the details in respect to the Compensation Scheme on page 10 of the document and the statement that the amount of benefits depends on the degree of disablement, and asked how often the degree of disablement was reviewed. The Executive Director Service Support/Section 151 Officer undertook to obtain clarification and to circulate the information to Members of the Board.

Resolved – That the report be noted.

5326 Workstreams Update - The Executive Director Service Support/Section 151 Officer submitted a report setting out an update on the workstreams that were agreed at the Pension Board in January 2016. The workstreams were designed to ensure that the Board operates in compliance with the Pension Regulator's Code of Practice for Pension Boards. The list of activities was not exhaustive and has evolved over the last 12 months and will continue to do so over the coming months. Appendix 1 of the report set out the workstreams proposed for the Pension Board over the short-to-medium term. The workload aimed to meet the requirements of the Code of Practice for Pension Boards and had therefore been shaped into three broad areas (Governance, Administration and Communication). Attention was drawn to the following elements that were timetabled to be reported upon at this meeting:

- **Governance**

G3 workstream – Training - The nominations to the Pension Board had changed in the first 18 months since its inception, which meant that although training had been delivered in August 2015 and April 2016, there would be a need to run refresher training in the Spring of 2017. This would be arranged separately on a date and time convenient for Members of the Pension Board.

G4 workstream – Knowledge - Appendix 2 to the report set out the knowledge requirements of Pension Board Members. In order to assist with the development of knowledge, relevant information had been housed on a specific area of the Authority's main website. The training sessions outlined above will contribute to the knowledge of Board Members.

G5B workstream – Summary of Complaints Received - A clear process for complaints had been adopted and is a key component of the governance of the Firefighter Pension Schemes (FFPS). There had been no complaints in relation to the administration of the FFPS in 2016/17 to date.

G6 workstreams – Risk Register - A comprehensive Risk Register had been developed and was attached at Appendix 3 to the report. The Register identified the two most dominant risks as the maintenance of Member data (Risk 2) and also legislative change (Risk 7). Those risks reflected the recent significant changes in the FFPS which had brought a much greater emphasis on the completeness and accuracy of data and a number of fundamental scheme changes and legal rulings. Both risks would be monitored carefully and it was felt that the mitigations and controls in place at present were sufficient.

- **Administration**

A1 workstream – KPIs and Benchmarking, SLAs - The Service now had an agreed set of Key Performance Indicators (KPIs) with West Yorkshire Pensions Authority (WYPA) who act as administrators of the FFPS on the Service's behalf. The KPIs were monitored and reported on monthly. Appendix 4 to the report set out the position for quarter 3 of the 2016/17 financial year. The data showed good performance in a number of key areas, e.g. implementing changes to bank details and changes of address. Other areas that were not in line with the KPI targets will be discussed in more detail at the contract review meetings with WYPA. The KPIs provided a sound basis on which to manage performance going forward.

A2 workstream – Costs per Member and Number of Scheme Members - Appendix 5 to the report set out the latest position of scheme members including those currently contributing to the 1992, 2006 and 2015 schemes and those in receipt of a pension. This information will be brought to each Board meeting. Perhaps most striking was that approximately 65% of those contributing are in the 2015 scheme. This should increase over time as those in the 1992 scheme either retire and draw a pension or transition into the 2015 scheme.

- **Communication**

C1 workstream – Communication by the Scheme – A copy of the latest newsletter issued by the scheme administrators was attached at Appendix 6 to the report.

C3 workstream – Benefit Statements - The Authority had a statutory duty to issue Benefit Statements to scheme members by 31 August each year. Unfortunately, the scheme administrators were not in a position to meet that deadline and therefore to comply with the regulations the Authority had informed the Pensions Regulator accordingly. The Benefit Statements were issued week commencing 19 December 2016. The expectation is that the deadline for 31 August 2017 will be met now that the appropriate software additions have been made to the

administrator's system. A sample Benefit Statement that has been issued to scheme members was attached at Appendix 7 to the report.

Resolved – That the report be received.

5327 THE PENSIONS REGULATOR – SELF-ASSESSMENT TOOL – The Executive Director Service Support/Section 151 Officer submitted a Public Service Pension Schemes Self-Assessment Tool issued by the Pension Regulator which had been completed in respect to the position in Humberside Fire and Rescue Service.

Resolved – That the information be noted.

5328 FIREFIGHTERS' PENSION SCHEME (ENGLAND) SCHEME ADVISORY BOARD – The Executive Director Service Support/Section 151 Officer submitted a copy of correspondence received from the Chairman of the Firefighters Pension Scheme (England) Scheme Advisory Board dated November 2016 indicating that the Board had set itself an ambitious Work Plan which it was intended will:

- Support and advise Local Pension Boards
- Take a lead on communications
- Ensure cost effectiveness of scheme administration
- Advise on 'Best Practice'
- Look to Benchmark administration

The correspondence included a letter from Brandon Lewis MP, Minister of State for Policing and the Fire Service dated 31 October 2016 referring to the successful implementation of the 2015 Firefighters' Pension Scheme and the establishment of the Scheme Advisory Board and Local Pension Boards. The letter stated that "Now the challenge is to take this forward and ensure the boards achieve what they were set up to do. Local Pension Boards need to provide strong oversight of the work of scheme managers, understanding their obligations, and assisting them to ensure compliance. The Scheme advisory Board is there to advise the Home Secretary and me on the desirability of changes to the scheme, and to support Local Pension Boards in their work." The correspondence also included a copy of notes setting out the Actions and Agreements of meetings of the Scheme Advisory Board held on 20 April and 26 May 2016. The Executive Director Service Support/Section 151 Officer stated that there had been a survey by the Scheme Advisory Board regarding the maturity of local Pension Boards and that it was intention to submit details when the responses nationally are known.

Resolved – That the information be noted.

5329 PENSION HOLIDAY – INFORMATION NOTE - The Finance Officer presented a paper indicating that under the previous terms of the 1992 Firefighters' Pension Scheme (the "1992 Scheme"), the maximum pensionable service that a member could accrue was 30 years' service, whilst the earliest point at which they could retire was at age 50. That meant that some scheme members – mainly those who joined before age 20 – must continue to pay employee contributions beyond the point of accruing maximum pensionable service but before they are able to retire. For example, if someone joined the scheme at age 18 and paid contributions for 30 years then by age 48 they would have accrued maximum pensionable service in the pension scheme but could not retire until age 50. The Government had now introduced an employee contributions holiday for 1992 Scheme members who accrue the maximum 30 years' pensionable service prior to age 50. This would apply from the point of accruing maximum pensionable service in the Scheme until the member's 50th birthday. This change was being applied retrospectively to 1 December 2006. The legislation giving effect to the employee contributions holiday came into force on 30 September 2016. The paper outlined what the change meant to an individual scheme member and also to the employer in terms of liability for employer contributions into the pension scheme throughout the period of the pension holiday. The paper also outlined the process for implementing the employee contributions holiday.

Resolved – That the information be received.

5330 COMMITTEE WORKSTREAMS 2016/17 AND DRAFT ANNUAL REPORT TO HUMBERSIDE FIRE AUTHORITY – The Monitoring Officer/Secretary submitted a report reminding Members that the first meeting of each Committee in a new cycle received a report which outlined broadly the substantive reports that Members, as a minimum, could expect to receive during the forthcoming year. The intention behind the workstreams for 2016/17 was to provide Members of the Pension Board with a broad indication of the reports that they could expect to receive during the year. That enabled forward planning for the Corporate Management Team. The workstreams agreed were not exhaustive, but indicative. An update against the agreed workstreams of the Board was set out in the attached draft Annual Report to the full Fire authority in accordance with the Constitution. The report indicated that the details in respect to attendances would need updating after this meeting of the Board prior to the Annual Report being submitted to the Fire Authority (AGM) in June 2017.

Resolved – That, subject to the content being updated to take account of this meeting and minor typographical corrections, the draft Annual Report be approved for submission to the Fire Authority AGM in June 2017.

5331 ANY OTHER BUSINESS – The following matter was briefly discussed:

- Cycle of Meetings 2017/18 – The Monitoring Officer/Secretary stated that it was envisaged that meetings of the Board in 2017/18 will reflect the arrangements agreed for the current year and would be agreed by the Fire Authority AGM in June 2017. It was agreed that the draft dates be circulated to Members of the Board following this meeting.

Meeting closed at 11.07 a.m.