

**HUMBERSIDE FIRE AUTHORITY**

**PENSION BOARD**

**20 JUNE 2016**

**PRESENT:**

Employer representatives: Councillor Hodgson and J Kirby (Director of Public Safety)

Scheme Member representatives: Mr D Riggall

Executive Director Service Support/Section 151 Officer and Scheme Manager, Monitoring Officer/Secretary, Senior Finance Officer (Contracts and Procurement) and Committee Manager.

An apology for absence was submitted from Mr R Vaux

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

*(The Monitoring Officer/Secretary took the Chair for the following item (Minute 5154).*

**5154 APPOINTMENT OF CHAIRPERSON** – The Monitoring Officer/Secretary submitted a report on the appointment of a Chairperson for 2016/17 indicating that the Chairperson is an annual appointment made at the Annual General Meeting of the Authority or elected at the first meeting of the Pension Board following the Annual General Meeting. The Terms of Reference of the Pension Board as set out in Article 10A of the Constitution provided that the position of Chairperson will normally rotate on an annual basis between the Employer's representatives and the Member representatives on the Board. In 2015/16 the Chairperson was an Employer's representative.

**Resolved** – That Mr D Riggall be appointed Chairperson of this Board until the Annual General Meeting of the Humberside Fire Authority in 2017.

*(Mr D Riggall took the Chair.)*

**5155 DECLARATIONS OF INTEREST** – There were no declarations.

**5156 MINUTES** – **Resolved** – That the minutes of the meeting of the Board held on 29 January 2016 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

**MATTERS ARISING FROM THE MINUTES**

**5157 Employer Representative** – Further to Minute 5005 it was reported that P Shillito had now been appointed Director of Public Safety and would be an Employer Representative on the Board from 4 July 2016.

**Resolved** – That the report be noted.

**5158 Ombudsman's Determination – 22 December 2015** – Pursuant to Minute 5008 the Executive Director Service Support/Section 151 Officer and Scheme Manager submitted a copy of the Ombudsman's Determination on 22 December 2015 which a Member had referred to at the previous meeting. The Senior Finance Officer (Contracts and Procurement) outlined the implications of the Determination for Fire Service pensions.

**Resolved** – That the information be noted.

**5159 PENSION BOARD COMPOSITION 2016/17 AND TERMS OF REFERENCE** – The Monitoring Officer/Secretary submitted a report confirming the composition of the Pension Board for the current year as approved by the Fire Authority on 6 June 2016 as follows:

<u>Employer representatives</u> (2):	1 Elected Member (Councillor Hodgson) 1 Officer (Director of Public Safety)
<u>Scheme Member representatives</u> (2):	1 representative nominated by the representative bodies via discussion and agreement at the Joint Consultative Committee (Mr R Vaux)  1 representative selected from expressions of interest by individual HFRS FPS members or those eligible to be HFRS FPS members (Mr D Riggall)

A copy of the Board's Terms of Reference extracted from the Constitution was attached for Members' information at Appendix 1 to the report. Article 10A.5 provides that the membership of the Pension Board shall be determined at the Annual General Meeting of the Authority and that Board members may be appointed for a maximum of two 3 year terms.

**Resolved** – That the report be noted.

**5160 CALENDAR OF BOARD MEETINGS 2016/17** - The Monitoring Officer/Secretary submitted a report indicating that the Annual General Meeting of the Authority on 6 June 2016 had set the calendar of its meetings for the forthcoming year. With regard to the Pension Board, its calendar of meetings was a matter for the Board. The report indicated that in terms of meetings of the Pension Board, Article 10A.12 of the Constitution provided that there shall normally be two ordinary meetings of the Pension Board in each year and that the schedule of meetings shall be decided at the Annual General Meeting of the HFA. In addition, extraordinary meetings may be called at such other times as the Board or Chairperson of the Board may determine. The report set out the dates proposed for meetings of this Board during 2016/17. Attached at Appendix 1 to the report was a schedule showing the calendar of meetings approved by the Fire Authority with the proposed dates for meetings of this Board incorporated.

**Resolved** – That the dates and times of meetings of this Board set out in Appendix 1 to the report be approved.

#### **PENSION BOARD - WORKSTREAMS**

**5161 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 could evolve over the next 1-2 years as the work of the Board develops. Appendix 1A of the report set out the workstreams proposed for the Pension Board over the short-to-medium term. The workstreams 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**

G4 workstream – Knowledge - Appendix 1B 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 the Authority's main website. Further training in support of the G3 workstream (Training) could be arranged to meet any knowledge gaps that Pension Board members identify during 2016. Once any topics had been agreed it was envisaged that the next Pension Board training session will be programmed for November 2016. Suggested topics for training were (i) Benefit Statements and (ii) Modified Scheme.

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). Appendix 1C to the report set out anonymised information that related to all complaints that were received in the operation of the FFPS during 2015/16.

G6 workstream – Risk Register - The Authority's team involved in the operation of the FFPS had developed a comprehensive Risk Register (attached at Appendix 1D to the report). The Risk Register identified the two most dominant risks as the maintenance of Member data (Risk 2) and also legislative changes (Risk 7). These 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 of those risks will be monitored carefully and it was felt that the mitigations and controls in place at present were sufficient.

- **Administration**

A2 workstream – Costs per member and number of scheme members - Appendix 1E of the report set out the current baseline 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 60% 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. The analysis underlined the need for robust and complete information in relation to pay for the 2015 scheme which relies on career average earnings as the driver of pension benefits rather than final salary.

A3 workstream – Data for CARE and data quality - The 2015/16 FFPS data had now been formally submitted to the Authority's pension scheme administrators – West Yorkshire Pensions Authority. The narrative attached as Appendix 1F to the report set out the steps that had been taken to complete this exercise. This is the first year that a CARE exercise has been undertaken and therefore learning from the process can be applied to the 2016/17 exercise that will be undertaken in April 2017.

The report indicated that the A1 (KPIs and Benchmarking, SLAs) and C3 (Benefit Statements) workstreams will be reported to the January 2017 Pension Board in addition to those items that are reported to each meeting of the Board.

**Resolved** – (a) That the report be received, and

(b) that a copy of the National Fire Fighters Pension Scheme Board minutes be obtained for circulation to Members of the Board and submission to the January 2017 meeting.

**5162 Pension Board – Pension Fund Account 2015/16** - The Executive Director Service Support/Section 151 Officer submitted a report providing a narrative for the 2015/16 Pension Fund Account. The statement was completed by the Authority as part of the Annual Accounts process. For 2015/16 expenditure was as follows: £13.7m pension payments; £4.3m commutation payments and £0.3m transfers out. This represented a total expenditure for the year of £18.3m. Pension contributions from employees were £3.0m, with £3.6m paid into the fund by Humberside Fire Authority as Employer contributions. Top up grant was received from central government in order to meet any deficit on the pension fund; the amount of grant required for 2015/16 was £11.7m.

**Resolved** – That the Board notes the income and expenditure on the Pension Fund Account for the 2015/16 financial year.

*Meeting closed at 10.58 a.m.*