



NOTES OF THE MEETING OF PENSION BOARD: FIREFIGHTERS' PENSION SCHEMES held on 17th May 2016 at FSHQ, at 10am

PRESENT:

Board Members: Councillor D Marren (Chair), G Peers, FBU

Officers: A Harvey, J Nixon, J Swift

1. Apologies

Apologies received from Mark Cashin, DCFO and Neil McElroy, FOA

2. Declaration Of Interests

There were no declarations of interests.

3. Notes from the Previous Meeting

The notes of the previous meeting on 1 December 2016 were presented to the Pension Board.

Action Agreed:

[1] That the notes be approved as a correct record.

Matters Arising

6. Pension Board Training

The Head of People and Development highlighted the action to complete the on-line Pensions Regulator training and requested that Board members submit their completed development records to her. She also suggested that, as the Board would only now be meeting 6 monthly it would be useful to have training updates as a standing agenda item. The Board discussed the training requirements and it was agreed that annual refresher training should be arranged for existing Board members.

Actions Agreed: That

[1] Board members submit completed development records in respect of the on-line training to the Head of People and Development by 30th June 2016;

[2] Training updates to be provided at Board meetings; and

[3] Refresher Training for existing Board members be carried out annually.

4. Pensions Update

The HR Business Support Manager presented her report which provided an update on current issues relating to the Firefighters' Pension Scheme.

The Board discussed the information provided and a number of comments/queries were raised:

Member Statistics – These now included statistics on the age profile of those who had opted out and the Board felt this was useful information. However they requested that, in order to make the statistics more meaningful, it would be useful to have the figures as a % of the eligible workforce.

Annual Benefits Statements (ABSs) – The FBU representative commented that he had received feedback from his Members that they were frustrated with the slow response to queries from the pension administrator. The HR Business Support Manager requested that staff informed the HR Business Unit if they were having problems with the pension administrator.

The Chair queried whether there was any indication that the pension administrator would not meet the 31st August deadline for the issue of the first ABS. The Head of People and Development explained that this was a statutory deadline and there were no indications at present that they would fail to meet it. She reassured that this was an issue that would be closely monitored over the forthcoming months to ensure that Kier were on track to deliver by the deadline.

Compensation Scheme – The FBU representative asked for clarification on the paragraph in the report which provided a definition of what was classed as a qualifying injury. He added that the definition could be misleading as it did not clarify what would be classed as his/her own default and whether mitigating circumstances would be taken into account. The Service's Solicitor advised that each case would be reviewed based on the facts of the individual case and mitigating circumstances would be taken into account.

Pension Scheme Valuation – The Chair queried whether this work was on track and would meet the August deadline. The HR Business Support Manager advised that all year end data had been submitted on time to the pension administrator so there should not be a problem meeting the deadline. The Chair asked if the deadline was missed would this be taken into account when reviewing performance and renewing the contract for pension administration provision. The Head of People and Development confirmed that performance was monitored and there was an option to withhold payment if a part of the contract was not fulfilled. She added that this clause had been used in respect of the payroll contract previously.

Modified Scheme: Retained Pension Settlement Update – The HR Business Manager informed the Board that this work was nearing completion and all members that had elected to join had received their final calculations. It was noted that 15 members had until 1 August to pay the first arrears instalment and it was suggested that a reminder be sent to these members prior to the deadline date.

Pension Ombudsman Decision – The HR Business Support Manager updated the Board on the current position and explained that there was just one payment outstanding. She also asked the Board to note that the figure for redress payments already received was £1.6m not £1.9m as stated in paragraph 28 of the report.

Pension Administration Contract - The Chair asked for an update on the procurement exercise for the future contract. The Head of People and Development explained that, in light of the Blue Light Collaboration Programme, the Service had held preliminary conversation with Cheshire Constabulary in respect of a joint contract. The Police had a procurement framework that could be used but if OJEU was required the Service had a specification ready to submit.

The Chair had queried how the contractor's performance was monitored and asked if the Board would have any input. The HR Business Support Manager explained that the contractor provided an annual performance report which contained key performance criteria and this could be distributed to Board members, for information.

Pension Re-enrolment – The Board discussed the re-enrolment process and the eligibility criteria. The FBU representative commented that there was some confusion on stations about the re-enrolment process. The HR Business Support Manager clarified that if staff had not met the eligibility requirement or had opted out within 12 months prior to the re-enrolment date they would not have to be re-enrolled. This also applied to anybody below the age of 22 or over State Pension Age.

Exit Payment Cap - The Service's Solicitor advised that the Enterprise Act was now in force and it was expected that the regulations would be laid before parliament in October with immediate effect. The Chair queried if there were any exceptions to the cap and the HR Business Support Manager explained that the draft regulations did include a provision to enable the Fire Authority to exercise a discretion to waive the cap in relation to payments made by itself.

Annual Allowance and Lifetime Allowance – The HR Business Support Manager informed the Board of the changes to the allowances which were announced in the summer budget statement in 2015. She explained that there was a dedicated intranet page which provided explanatory notes and the Board asked for a link to the page to be provided with the notes of the meeting.

LGA Pensions – AGM 2016 – It was noted that the LGA Technical Pension Advisor had provisionally agreed that the AGM would be held on 11 October 2016. It had been proposed that there would be a number of workshops for Pension Board members at this event and the Head of People and Development would keep the Board updated on whether the workshops would be held and, if so, provide confirmation of the proposed content and date.

Actions Agreed: That

- [1] the Pensions Update be noted;**
- [2] Membership Statistics: HR Business Support Manager reviews the statistics provided and includes % figures where relevant;**
- [3] Retained Pension Settlement Update: Reminder to be sent to active members that they have until 1 August to pay the first arrears instalment;**
- [4] Pension Administration Contract: Copy of annual performance report to be distributed to Board members;**
- [5] Annual and Lifetime Allowances: a link to the dedicated intranet page to be distributed with the notes of the meeting; and**
- [6] LGA Pensions AGM: Head of People and Development to update the Board if any relevant workshops/sessions for Pension Board members are included in the programme and to confirm the date for the event.**