

AT A MEETING of the HFRA Hampshire Firefighters' Pension Board held at the
Fire and Police Headquarters, Eastleigh on Friday, 19th October, 2018

Chairman:

* Stew Adamson

- * Malcolm Eastwood
Richard North
- * Councillor Roger Price
- * Alex Rhodes
- * Tom Simms

*Present

38. APOLOGIES FOR ABSENCE

Apologies were received from Richard North.

39. DECLARATIONS OF INTEREST

Members were mindful of their duty to disclose at the meeting any disclosable pecuniary interest they had in any matter on the agenda for the meeting, where that interest was not already entered in the Authority's register of interests, and their ability to disclose any other personal interests in any such matter that they might have wished to disclose.

There were no declarations of interest received for the meeting.

40. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed.

Under matters arising: under minute 37, it was confirmed that whilst Hampshire Pension Services had taken over the pension administration for West Sussex County Council and fire pensions, West Sussex Fire and Rescue Service had their own local Fire Pensions Board.

Under minute 37, employer contributions to the Authority was discussed and it was explained that the Authority collected contributions with a net pay to Government. Members noted that further details around the operation of the cash flow would be provided to a future meeting.

41. **DEPUTATIONS**

There were no deputations on this occasion.

42. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman announced his desire to review the structure of the Firefighters' Pension Board to ensure clarity without duplication. Members of the Board discussed areas such as annual reports, standing agenda items and the terms of reference for the Board as well as frequency of meetings.

It was heard that standing agenda items such as communications, legislation and breaches would be included in the regular Fire Pension Board Status report in the future. It was heard that Alex Rhodes would lead on any issues around The Pensions Regulator, as well as continuing to lead on training issues.

Furthermore, annual reports would include a calendar of events timeline, disputes resolution and review of risks. An explanation of conflict of interest and a review of the terms of reference of the Board was seen to be beneficial, and this would be brought to a future meeting. A renewed focus on data was highlighted, and this would be covered in the regular pension administration update report. The frequency of Board meetings was also raised and it was proposed to hold these four times a year.

43. **SCHEME ADVISORY BOARD**

The Pension Board received a verbal update on the Firefighters' Pensions (England) Scheme Advisory Board (SAB) (Item 6 on the agenda) from the Chair of the Board, Malcolm Eastwood. The current issue of scheme valuations for Local Government Pension Schemes was outlined and it was explained that a reduction in the discount rate would result in significant increases in employer contributions while the outcome of the cost cap floor being breached was expected to lead to improvements in member benefits.

It was noted that the SAB had its own cost management process and its own actuarial adviser. It was heard that there was pressure from the Home Office to have the issue resolved by the next meeting of the SAB, and that scheme changes had to be implemented by April 2019.

It was explained that the increase in employer costs hadn't been expected and the contribution rate had been set too high. Malcolm also highlighted that the SAB were exploring possibilities for pensions tax training next year, which would be designed for practitioners.

44. **COMMUNICATIONS**

The Pension Board received a verbal update on Communications (Item 7 on the agenda), and Members of the Board noted the regular pension updates on the HFRS website and effective signposting which had assisted in pension queries.

It was also explained that further information about communications would be addressed in the Fire Pension Board Status report, Item 11 on the agenda.

45. DATA ISSUES

In relation to Item 8 on the agenda, the Chairman confirmed that this would be addressed in the Fire Pension Board Status report, Item 11 on the agenda.

46. LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT

The Pension Board received a report providing an update on legislation and the Local Government Association (Item 9 in the Minute Book).

Officers took Members of the Board through the report highlighting and explaining key issues including annual allowance statements, and the position around divorce and a pension sharing order was explained. Paragraphs 16 and 17 of the report set out the background to the two pensions rule and indexation, and it was explained that the 2018 amendment legislation had provided clarity to this issue. It was noted that four cases had been identified by Hampshire Pension Services that the legislation would apply to.

47. PENSION ADMINISTRATION UPDATE REPORT

Members of the Board received an update on pension administration (Item 10 in the Minute Book), which updated the Board on administrative performance for the first six months of 2018/19.

Officers took Members of the Board through the report and highlighted Pensions Services' administration performance against service standards as set out in section 6. Attention was drawn to the 100% target reached for performance which addressed concerns that standards could decline with the increase in pensions administrative work.

The breakdown of membership of the Hampshire Fire schemes was also highlighted and details around the different schemes were explained to the Board. The Board were also informed, in relation to GMP reconciliation, that approximately 50 queries had been raised and a response from HMRC was expected later in the year.

Issues around data quality were also raised in relation to common data and conditional data. It was noted that common data items which had contributed to a score of 91.35% being achieved had now been corrected and as a result, it was anticipated that a score of 100% would be reported to the Pensions Regulator in November. For conditional data, it was heard that a 90% score would be reported to the Pensions Regulator, and details relating to this were highlighted from section 13 of the report.

Members queried about the position of tracing individuals in relation to the Annual Benefits Statements (ABS) and it was clarified that this wasn't a breach

as contact had been attempted and an ABS issued. It was confirmed that it was an individual's responsibility to inform of changes to contact details.

RESOLVED:

That the HFRA Firefighters' Pension Board note the information contained in the report.

48. **FIRE PENSION BOARD STATUS REPORT**

Members of the Board received a report from the Chief Finance Officer (Item 11 in the Minute Book) regarding ongoing issues.

The report was introduced and Officers led Board Members through the report highlighting the development of key issues. The position in relation to opt outs was highlighted as set out in paragraphs 3-5 of the report. It was noted that following both a postal and email survey, the response rate of 20% did make it difficult to draw conclusions, but the main reason for not contributing was due to personal reasons.

In relation to The Pension Regulator (TPR) Annual Scheme Returns, it was heard that the deadline for submission of conditional data was 6 November 2018. The requirements of the TPR were set out, and it was noted that the TPR had adopted a firm approach to assess the current position of scheme data.

The position in relation to Injury Pensions and Department for Work and Pensions (DWP) benefits was explained, and it was heard that it was a retired individual's responsibility to inform Hampshire Pension Services of relevant additional benefits if receiving an injury pension award. It was proposed that a letter be sent to those members reminding them of their responsibility to inform of changes, as set out in appendix C to the report. The Board were supportive of the letter but felt it could be firmer. It was explained that any subsequent letters because of non-response would adopt a firmer stance. Officers would examine whether individual benefits would be amalgamated into Universal Credit.

In relation to communications and web pages, it was heard that the introduction of 'hot topics' had helped with an increase in the number of hits to the employer pension web pages, and reports produced showed that communications were reaching some as there were peaks at those times. The number of hits also compared favourably to the Police and HCC employer pension web pages. Members of the Board wished to record their thanks to officers for their work in creating and developing the web pages. The Chairman also extended his thanks to the Employer Pension Manager for her recent pension presentations to various Fire Station watches, which had received positive feedback. The Board also discussed whether there would be merit in including a link on the web pages to a video of a pre-retirement presentation and officers would look into the possibility of this. Attention was also drawn to appendix D of the report which set out a proposed draft of a survey which is proposed to be issued to all active members to obtain feedback about the information available on the web pages. It was noted that the survey would be issued by email and would also be shared with the Fire Brigades Union. The Board were content with the survey.

RESOLVED:

- i) That the HFRA Firefighters' Pension Board endorse the injury pension and DWP benefits assessment letter as set out in paragraphs 11-15 and Appendix C of the report.
- ii) That the HFRA Firefighters' Pension Board endorse the employer pension web pages survey as set out in paragraphs 24-27 and Appendix D of the report.

Chairman,