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AT A MEETING of the HIWFRA Firefighters' Pension Board of HAMPSHIRE COUNTY COUNCIL held at the Hampshire and Isle of Wight Fire and Police Headquarters, Eastleigh on Tuesday 13 August 2024

Chairman: * Richard Scarth
Vice-Chairman: * Sean Harrison

* Councillor Roger Price	* Richard North
* Tor Strowger	* Ross Singleton
* Ant Westbrook	Rob Sansome

113. ELECTION OF CHAIRMAN

The Clerk called for nominations for a Chairman, noting the requirements of the Firefighters' Pension Board Terms of Reference. Richard Scarth was nominated by Sean Harrison and seconded by Richard North and in the absence of any further nominations duly appointed Chairman of the HIWFRA Firefighters' Pension Board until the first meeting of the Board following the annual meeting of the Fire Authority in 2025.

114. ELECTION OF VICE-CHAIRMAN

The Chairman called for nominations for a Vice-Chairman, noting the requirements of the Firefighters' Pension Board Terms of Reference. Sean Harrison was nominated by Ross Singleton, seconded by Cllr Roger Price and in the absence of any further nominations duly appointed Vice-Chairman of the HIWFRA Firefighters' Pension Board until the first meeting of the Board following the annual meeting of the Fire Authority in 2025.

115. APOLOGIES FOR ABSENCE

Apologies were received from Rob Sansome.

116. 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 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.

No interests were declared.

117. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting held on 18 April 2024 were reviewed and agreed.

118. DEPUTATIONS

There were no deputations on this occasion.

119. CHAIRMAN'S ANNOUNCEMENTS

Stew Adamson, Mark Hilton, and Dan Tasker were acknowledged and thanked for their contributions to the Pension Board. A warm welcome was extended to new members, Tor Strowger and Ant Westbrook, followed by quick introductions around the room. It was noted that the Terms of Reference for the Pension Board would be recirculated to all members. New Board members were cautioned that they might start receiving contact from staff about Pensions and were advised not to provide advice but to signpost staff to the appropriate resources. Additionally, members were reminded to sign up for upcoming training sessions and to complete the Declaration of Interest paperwork if it had been requested.

120. HAMPSHIRE PENSION SERVICES ANNUAL ADMINISTRATION REPORT

The Board received the annual administration report from Hampshire Pension Services from the Chief Financial Officer (item 8 in the minute book).

It was noted that the report omitted the Matthews remedy, which is acceptable as it is not technically related to Pensions. The team had successfully hit their current targets and was on track to meet upcoming ones. The report also covered membership and administrative performance, highlighting that 100% of cases were dealt with on time, with many being completed before the deadline. There were no complaints reported. Regular audits had been completed, with more scheduled in the future. Cyber security remained a significant ongoing issue but was being addressed as part of the external audit.

Customer Service Excellence and The Pension Regulator scores were reasonably high, although there was missing data that still needed to be completed. None of the missing data had caused issues with payouts. There is the potential for a significant increase in pension numbers due to the Matthews remedy. It was noted that estimates used for charts lacked clear timeframes, suggesting a non-holistic approach. A holistic approach would be more beneficial for the Board. The Chief Financial Officer advised communications had been sent out about requesting pension estimates.

The Board discussed the report's classification of the estimate timeframe, determining that it started not from the date of the request but from when other teams had completed their actions and it was received by the Pensions team. The Chief Financial Officer would address the issue of delays and arrange better communications. The report showed an average maximum wait time of 64 seconds for calls to be answered and The Chief Financial Officer offered to query the term 'average maximum wait time' to provide accurate data to the Board.

There had been an increase in registrations to the Member Portal, and the upcoming Annual Member Statement was expected to boost this further. Currently, 40% of active Firefighters were not registered.

The upcoming Pension Dashboards project would allow members to see all previous pensions held. This large-scale Government project aimed to gather accurate data by the October 2025 deadline, which would be especially helpful for on-call firefighters with alternate jobs. The project currently targeted large companies, with smaller ones expected to join later, minimising the risk of 'lost' pensions. The Pension Team would circulate information when available.

Cyber security testing was ongoing, with most issues related to end-user passwords. Richard North noted that the secondary sign-on method recently changed from email to text message, which was faster and more efficient.

Cllr Price suggested reducing abbreviations in the report or including a list of abbreviations to make it more accessible which the Chief Financial Officer agreed to investigate for future reporting.

The Chairman inquired about the impact of increased pension volume on payments. The Chief Financial Officer explained that project costs for McCloud and Matthews were being paid, and ongoing costs would be assessed moving forward. The Board would evaluate whether Hampshire Pension Services or another provider was the best option, however, as a Firefighter Pension, there are a limited number of suitable providers. It was agreed that the potential cost increase should be added to the Risk Register.

RESOLUTION

The content of the report was noted by the HIWFRA Firefighters' Pension Board.

121. **LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT**

The Board received the Legislation and Local Government Association (LGA) Update Report from the Chief Financial Officer (item 9 in the minute book).

In summarising the report, the officer highlighted that Pension statements were being made to show options with templates being produced nationally. There were a number of ongoing issues relating to tax for the Pensions Remedy that should have been resolved prior to legislation being put in place which were leading to issues with implementing the remedy. ,.

Annual Benefit Statements were due to be sent out by 31 August 2024, and the Authority was working towards that date with communications due to go out imminently. It was noted that the Annual Benefit Statements were generated using software and then double-checked manually and a tax-related statement was due out in the Autumn of 2024. All active, deferred, and retired Firefighters were to receive statements by 31 March 2025. If any deadline were not met, it would be reported as a breach to the Board, for the Board to decide if the Pension Regulator needed to be informed.

The officer explained how there continued to be issues around tools and calculations with the Matthews remedy, around dates and lack of guidance. A tax complication had also arisen in that people were being paid in a lump sum and were subsequently paying all of the tax in one financial year.

HMRC had a member calculator to assist anyone who has had a large salary increase to notify them, however, there was an error in the form, and it had to be removed. The Board members were advised to signpost anyone impacted by a large salary increase to contact HMRC directly as an alternative in the meantime.

Training opportunities for Board Members were being taken up, and the Board was advised to continue booking onto courses. The Chief Financial Officer agreed to try and get a training session from LGA to assist Members.

RESOLUTION

The Content of the report was noted by the HIWFRA Firefighters' Pension Board.

122. **PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW**

The Board received the Pension Board Status Report and Risk Register Review from the Chief Financial Officer (item 10 in the minute book).

A presentation was given at the pre-retirement conference in July, and follow-up information would be sent to attendees. The Pension Section on the Portal, mentioned in Routine Notice, included a link to a SharePoint page where the information was permanently held.

The Local Government Association (LGA) hosted regular sessions where attendees could interact with IBC, HR, Pensions, and occasionally National Fire Chiefs.

HR & Pensions met with Hampshire Pension Services, and it was reminded that Pension re-enrolment was mandatory every three years, but people could opt-out once this had been completed if they wished to. Last time, sixty-eight were registered, and only fifty-five opted out. Opt-out rates for new recruits are being measured, and currently, all new recruits are in the Scheme.

Cllr Price inquired if all new recruits signed into the Portal. The Chief Financial Officer confirmed that it was emphasised in the recent presentation, and recruits were advised to sign in at that time.

Progress on the implementation of McCloud was discussed, with confirmation that some issues remain unresolved. The topic of tax on interest payments was revisited from the last meeting, specifically addressing the 8% interest rate offered, which aligns with Tribunal payouts. However, this rate exceeds the base rate, resulting in unfairly high tax penalties. It was noted that these higher tax penalties have now been approved for removal and are no longer applied. A new issue with the 1992 scheme was highlighted relating to potential double taxation, but the financial risk to the Service was low and calculated. The

approach would be applied cohort by cohort moving forward and Board was satisfied with this approach. An update would be provided to the Board following a written Ministerial Statement that would be issued and the Chief Financial Officer would look at potential communications with staff and these would include if felt beneficial.

The report examined compensation in two ways, and it was confirmed that the automatic compensation involved no loss of monies from the Service, while the non-automatic compensation could. The main cost was currently believed to be in administration. Communications will need to go out on this matter, but not until it is significantly clearer. Fortunately, the six-month timeframe did not start until a process window was opened, and it was expected that national guidance would be received by that point.

Regarding Matthews, the Chief Financial Officer confirmed that a complicated calculator and statement have been issued and the Authority was proceeding based on what it was believed the rules would change to.

The Board was pleased to learn that the IBC Pensions team was making satisfactory progress, It was queried whether communications would go out or virtual Q&A sessions would be offered and confirmed that whilst basic questions should be dealt with by HR, there would be lots of individual queries.

Richard North suggested duplicating communications to the Past Members Association and was happy to do that himself. It was discussed that there are no Government communications being released about this, so communications should be sent to Internal and Past Members Association to advise that this is coming out, who it is coming from, etc. Social media communications will also be considered.

The Risk Register had been updated to include changes in personnel, which would be removed once the handover to HR had been completed. A new risk will be added relating to compensation and it was also agreed to add a risk showing the increase in costs due to the increase in pension numbers.

RESOLUTION

- The content of the report was noted by the HIWFRA Firefighters' Pension Board.
- The risk register as set out in paragraphs 32 - 39 and Appendix A was approved by the HIWFRA Firefighters' Pension Board with the following additions: a new risk related to compensation and an additional risk reflecting the increased costs due to the rise in pension numbers.

Chairman,

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