



**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Noted

Date **19 October 2018**

Title **FIRE PENSION BOARD STATUS REPORT**

Report of Chief Finance Officer

SUMMARY

1. This report provides an update on the development of key items.
2. This report, together with attachments, provides the framework for this meeting agenda.

OPT OUTS

3. The Board will recall that we contacted the 96 fire-fighters that were not in any scheme at all. The 96 members received letters in early March and due to a disappointing response rate the survey was sent again via email in June.
4. At the end of the survey period we had only received responses from 19 members (20%). With such a poor response it's difficult to draw any useful conclusions, except to say that the reason for not contributing in most cases was due to personal reasons.
5. There were 5 members that had asked for contact to be made. The Employer Pension Manager contacted each of them and provided links to the relevant section of the Employer Fire Pension web pages. All of the results of the survey can be found in APPENDIX A.

THE PENSION REGULATOR (TPR) ANNUAL SCHEME RETURNS

6. The TPR have issued their annual Scheme Return with a deadline for submission of 6 November 2018.
7. There is one survey for each scheme and requires information to be provided about scheme membership numbers, details of the scheme manager, Fire Pension Board members, details of the administrator and other relevant contact details.

8. TPR are asking additional questions this year to assess the state of common and conditional data that is held. The LGA have provided some guidance on the TPR data requirements and this can be found in APPENDIX B.
9. With regard to the conditional data there is no agreement of what data to measure as there is for common data. This is because it is scheme specific and each FRA may hold different data. Hampshire Pension Services are currently reviewing this and will rely on a variety of reports to establish a data score.
10. The questions TPR are asking for each scheme and then for common and conditional data separately are
 - (a) Have you measured your common / conditional data in the last three years?
 - (b) When did you last measure your common / conditional data?
 - (c) What percentage of your common / conditional data have you assessed to be present and accurate?
11. This first year of data scoring will provide a baseline to enable TPR to assess the current position of scheme data.

INJURY PENSIONS AND DWP BENEFITS

12. When a retired member receives an injury pension award, the member is asked to confirm what relevant additional benefits they are receiving from the Department of Work and Pensions (DWP). This is because any additional benefits that the member is receiving must be deducted from any injury pension awarded.
13. The relevant additional benefits paid in respect of the qualifying injury that must be taken into account are set out in the Firefighters Compensation Scheme (England) Order 2006 Regulations; they are:
 - (a) Industrial Injuries Disablement Benefit
 - (b) Reduced Earnings Allowance
 - (c) Retirement Allowance
 - (d) Incapacity Benefit
 - (e) Employment & Support Allowance
 - (f) Severe Disablement Allowance
14. The member is advised that they should keep Hampshire Pension Services informed of any changes to their DWP benefits as this will have an effect on the injury pension that is being paid to them.

15. A review of the benefits payable should be carried out at regular intervals to ensure that the correct level of benefits is being paid to the member. The responsibility of any such review falls to the employer to carry out, rather than Hampshire Pension Services and due to a lack of resources, no such review has been carried out previously. There are 90 members that are currently receiving an injury pension from HFRA.
16. The Employer Pension Manager is proposing to write to these members to make an initial assessment of any additional benefits that the member is receiving. The Board are asked for their views on this draft letter which can be found in APPENDIX C.

ANNUAL FIRE PENSION CONFERENCE

17. The Employer Pension Manager attended the two day conference held at LGA offices in London on the 17th and 18th September.
18. The Fire Technical Group meeting was held on the first day and this was followed by the first part of the conference which saw speakers from the Home Office, the chair of the Local Pension Board Effectiveness Committee. There were two presentations about joint Local Pension Boards, one from the chair of the joint Police Pension Board and one from the Pension Manager at Leicester CC who made a submission to the Secretary of State to apply for the first Fire Joint Pension Board at the end of September 2018.
19. The second day had various presentations, the key points are as follows:-
 - (a) Jayne Baldock (Home Office) and Chris Mullholand (GAD) were saying that due to the restrictions on passing legislation, how work arounds and legal opinions may need to be sought more often to obtain an effective way forward. They also talked about collaborative working, with other FRAs and Local Pension Boards.
 - (b) Andrew Hopkinson (Fire Leaders Association) talked about how they are working with various public sector stakeholders to build robust cases for change to minimise tax issues which they will present to HM Treasury. They will be writing to all Chief Fire Officers to request data and examples of cases re Annual and Life Time Allowance breaches.
 - (c) Eversheds gave a case law update. There is the case of Sargeant v London Fire and Emergency Planning Authority which is the age discrimination case regarding the transitional provisions for the 2015 Fire Pension Scheme. After getting to the Employment Appeal Tribunal, this case has gone back to the Employment Tribunal and has been expedited to be heard over 5 days starting 5 November

2018. Realistically this is likely to be another year before any decisions are known.

- (d) Jane Marshall (Weightmans) who is the recently appointed legal adviser to SAB gave a presentation about pensionable pay. This covered some of the previous Pension Ombudsman (PO) determinations (Kent & Medway Towns, Norman v Cheshire, Smith v S.Wales FRA, Mr N v W.Yorks FRA and Mr A v Warwickshire FRA). She talked about the Blackburne principles and additional principles arising from case law. What is clear is that there is no clear answer as to what is or is not pensionable pay!

She also referred to a significant PO case that we are waiting for which is believed to be on payments for undertaking separate duties under the 1992 Fire Pension Scheme (such as USAR) and whether these payments are permanent. The PO was hoping to have a determination out in mid August but it has not yet been released, which may or may not be a good thing!

- (e) Alison Murray and Craig Payne (Aon) gave a presentation about their proposal to benchmark costs of the Fire schemes. This is a project that has been commissioned by SAB and has never been done before. The work will take the form of surveys to The Scheme Manager, The Scheme Administrator and members (actives, deferreds and pensioners) these surveys will be in respect of each FRA.

There are four main questions that this will tackle, i) How effective is scheme administration, ii) What are the costs of running the scheme, iii) Are there any themes or patterns and iv) Whether anything could be done differently or better. Aon hope to have a draft report to present to SAB by mid March 2019.

- (f) There was also an opportunity to attend one of three workshops, they were on
 - i) Accurate forecasting and the Top-Up grant. This came after Hampshire had a visit from the Home Office to discuss how we do our forecasting as the estimates that Hampshire provides are very accurate.
 - ii) Medical appeals and the process and
 - iii) Combining pension and Scheme Service

- 20. The Fire Annual Pension Conference next year will be held on 24th and 25th September 2019. The Employer Pension Manager has already sent meeting notices to Board members to hold these dates in diaries.

COMMUNICATION

21. The Employer Pension Manager has given presentations on the pre retirement course on 12 July and 26 September; the next one is on 14 November.
22. She has also given 2 pension presentations at Basingstoke Fire Station during September. There are no further presentations scheduled. There has been a lot of positive feedback from these sessions.
23. The “pensions hot topic” in Routine Notice for August was about Annual Benefit Statements. This included a link to the employer pension web pages and the new section on Annual and Lifetime Allowances, including the factsheets approved by the Pension Board earlier in the year.
24. The “hot topic” for October covered death grant nominations, the nomination of co-habiting partners and the 2018 legislative amendments to the 2006 Scheme; along with a timely reminder about annual and lifetime allowances.
25. Reports for the number of page views on the employer pension web pages are produced monthly. These show that the communications we are putting out are reaching some as there are peaks at those times.
26. The table below shows the page views expressed as a percentage of employees, for comparison, the Police and Local Government Pension Schemes (LGPS) pages have been included.

Employer pension scheme pages	Jun 2018	Jul 2018	Aug 2018	Sep 2018
HFRA - Fire Pension Scheme pages	14%	15%	12%	11%
HFRA – LGPS pages	17%	27%	24%	23%
Hampshire Constabulary – Police Pension pages	1%	3%	14%	4%
Hampshire Constabulary – LGPS pages	2%	2%	9%	2%
Hampshire County Council – LGPS pages	1%	1%	2%	1%

27. The Fire Employer pension web pages have been live since August 2017, with the Pensions button on the Fire portal homepage being live since June 2018. It would be useful to issue a survey to all active members to obtain their views of its usefulness and general feedback about the information available.
28. The Pension Board are asked to consider and give their views on the proposed draft of the survey which can be found in APPENDIX D

RECOMMENDATION

29. That the injury pension and DWP benefits assessment letter as set out in paragraphs 11 – 15 and APPENDIX C, is endorsed by the Board.
30. That the employer pension web pages survey as set out in paragraphs 24 – 27 and APPENDIX D, is endorsed by the Board.

APPENDICES ATTACHED

31. APPENDIX A – Opt out survey results
32. APPENDIX B – TPR data requirements
33. APPENDIX C – Injury award and DWP benefits assessment letter
34. APPENDIX D – Fire employer pension web pages survey

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