



**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Noted

Date **9 OCTOBER 2019**

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.

STATUTORY REPORTING

3. The Accounting for Tax (AFT) for quarter 1 2019/20 was submitted to HMRC on 26 July 2019 and paid on 6 August 2019. The table below shows the breakdown of the payments made.

Type of payment	Number of members	Tax year relates to	Amount paid
AFT - Lifetime Allowance	1	2019/20	£75,035
Total paid to HMRC			£75,035

4. The Board will be pleased to hear that 100% of Annual Benefit Statements were produced for all active and deferred members by the statutory deadline of 31 August 2019. Statements are available to view and download via the new Member Portal.
5. This represents 1,225 statements for active members and 918 for deferred members across all Fire schemes.

COMMUNICATION

6. The Employer Pension Manager delivered a pension presentation at the pre-retirement course on 8 July 2019.

MEETINGS

7. The Employer Pension Manager and the Finance Transformation Manager attended the Pensionable Pay workshop which was put on by the LGA on 18 July 2019. This included presentations from
 - (a) Jane Marshall, the legal adviser to SAB, covered in detail the appeal decision in the case of Booth v Mid & West Wales FRA which came out in March 2019
 - (b) She also gave another presentation which gave a round up of case law from Kent & Medway Towns in 2001 up to the current time
 - (c) Steven Pope from Devon & Somerset FRA gave a presentation about how they have made decisions with regard to pensionable pay
 - (d) James Durrant from Essex FRA gave a presentation about tax consequences with retrospective action
8. The Employer Pension Manager, the Finance Transformation Manager and Board member Dan Tasker attended the Annual Fire Pension Conference which was put on by LGA on 24 and 25 September 2019.
9. The slides from the event are available [here](#). The conference included presentations from

DAY ONE

- (a) Gavin Chambers from Bedfordshire FRA about how their Local Pension Board assists the Scheme Manager
- (b) Clair Alcock led a discussion session on assisting the Scheme Manager
- (c) Nick Gannon provided an update from The Pension Regulator

DAY TWO

- (d) Amar Pannu, the new Head of Police and Firefighters Pensions from the Home Office gave a view from Government
- (e) Craig Payne, Benefits Consultant from AON provided an updated on the Administration and Benchmarking review
- (f) Clair Alcock gave a summary of where we are with the review and the next steps
- (g) There were three workshops that delegates could choose to go to:
 - The Finance Transformation Manager attended the workshop on National Performance Monitoring
 - The Employer Pension Manager attended the session on Abatement
 - Board member Dan Tasker attended the workshop on Transitional Pension Calculations refresher
- (h) Alec Bennet, Principal Associate from Eversheds Sutherland provided an update on relevant case law
- (i) Clair Alcock gave a presentation about what her and her team do

10. Overall it was a very good conference and provided much opportunity for networking and catching up with colleagues from other FRAs.

MEMBER PORTAL

11. Member Portal for Fire Pension Schemes went live on 1 April 2019. This was publicised at the beginning of May 2019 and in August when the Annual Benefit Statements were published.
12. Numbers of those registered are shown in the table below:

Pension online registration numbers as at 23/09/2019							
Number of actives per age range							
HFRS - FF	under 30	30-40	40-50	50-55	55-65	65+	Total
Registered	6	35	83	45	21	1	191
Not registered	153	307	343	120	65	0	988
Total	159	342	426	165	86	1	1,179
Percentage of actives per age range							
HFRS - FF	under 30	30-40	40-50	50-55	55-65	65+	
Registered	4%	10%	19%	27%	24%	100%	
Not registered	96%	90%	81%	73%	76%	0%	
Total	100%	100%	100%	100%	100%	100%	
Percentage of all actives per age range							
HFRS - FF	under 30	30-40	40-50	50-55	55-65	65+	Total
Registered	1%	3%	7%	4%	2%	0%	16%
Not registered	13%	26%	29%	10%	6%	0%	84%
Total	14%	29%	36%	14%	8%	0%	100%

13. Although the communications that we have issued in Routine Notice have helped to increase the number of registrations from 71 (6%) to 191 (16%), the sign up is still really low for active members. This means that if they are not registered on the Member Portal, then they will not have seen their 2019 Annual Benefit Statement.
14. The Chief Fire Officer, who recently registered for the Member Portal and logged in for the first time, commented that it is excellent.

15. The Board are asked to approve the recommendation to send out a cascade message to all managers.

PENSION BOARD MEMBERSHIP

16. The vacancy for the Employee Board member was re-advertised and there was one candidate that applied. As the applicant fulfilled the criteria, this meant that no further interviews were required and the appointment was recommended to the Fire Authority.
17. The appointment of Richard Scarth was ratified by the full Fire Authority on 25 September 2019.

PENSION BOARD TRAINING

18. The Pension Board may recall that the last Learning Needs Analysis forms were completed in January 2018. Board members are required to have a good working knowledge of the Fire Pension Schemes and as we now have two new members it makes sense to review the training needs of the Board.
19. Board members will be sent a form for them to complete, the results of this will be brought to the Board meeting in January 2020 along with a plan for training, if necessary.
20. The Board may also wish to consider inviting Clair Alcock to the Board meeting and utilising the free session of training / review that each Local Pension Board is entitled to have from the LGA. The Board are asked to consider this.

INJURY PENSION AWARD REVIEWS

21. The Board will recall that the HR department were putting in place a process to review the award of the degree of disablement in respect of injury pensions.
22. The Board will be pleased to note that letters were sent at the end of August 2019 to the two pensioner members that are due a review. They have six weeks to respond to the letter, either confirming that there has been no significant change, or that there has been significant change and a review is required.
23. HR have now managed to secure the resources of an Independent Qualified Medical Practitioner (IQMP) for any reviews that need to be undertaken; unfortunately, the IQMP is based in Stroud and this will require members to travel there for their review, if one is required.

COMBINED FIRE AUTHORITY

24. The Board will be aware that the Combined Fire Authority (CFA) has been deferred for a year, although final confirmation is still awaited from the Secretary of State with a provisional date of 1 April 2021.
25. There will be a shadow Fire Authority Board set up from 1 April 2020, however it is not anticipated that there will be a need for a shadow Fire Pension Board. This is because the pension administration for Isle of Wight will remain separate, along with their own Fire Pension Board, until such time as the CFA takes effect.

EMPLOYER CONTRIBUTIONS

26. The Board will recall that HM Treasury agreed to fund approx. 95% of the additional employer's contributions required for 2019/20, but at the time, there was no indication about support for future years.
27. The Board will be pleased to note that HM Treasury have agreed that additional funding will be provided for 2020/21 on the same basis as for 2019/20

GOVERNMENT ACTUARY DEPARTMENT (GAD) VALUATION 2016

28. The production of the 2016 valuation data for GAD was fraught with problems:
 - (a) The year 2015/16 was first year of the new 2015 Fire Pension Scheme.
 - (b) The Civica Pensions Administration system (UPM) was not entirely ready for the 2015 scheme
 - (c) There was a lack of adequate processes to upload all data, particularly in relation to retained FF into the UPM system
 - (d) Hampshire Pension Services (HPS) had issues extracting data for the valuation and as a result missed the deadline for the submission of data
29. Due to time pressures, HPS only had a few days to collate and check the data that was going to be submitted to GAD. It was sent, knowing that it was far from perfect and that there was some missing data.
30. After the data was submitted to GAD, HPS continued to work on improving the data that they held and updating records where necessary.
31. GAD have now released some information specific to the data for Hampshire which can be found in APPENDIX A

32. Most of the data missing was in relation to pay, a large portion of this was in relation to retained FF records or where the member had left, but the leaver had not yet been processed.
33. Where movement data could not be used between the 2012 and 2016 valuation, this can largely be explained by the fact that the 2012 valuation data was extracted from the previous Pension Administration System, AXISe. The way that UPM holds data is very different to AXISe and the two systems reported this information in a different way.
34. HPS now have more robust processes in place to capture and update data more accurately. The UPM system has also seen a number of improvements for Fire Pensions administration since 2016.

RECOMMENDATION

35. The Board are asked to note the content of this report
36. The Board are asked to approve sending out a cascade message to all managers about the Member Portal as in paragraph 11-15
37. The Board are asked to approve inviting Clair Alcock to the next available Board meeting to deliver some training / provide a review, as set out in paragraphs 18-20.

APPENDICES ATTACHED

38. APPENDIX A – GAD analysis of valuation data

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