

Minutes



To: All Members of the Fire Pension Board, Chief Executive, Chief Officers, All officers named for 'actions' From: Legal, Democratic & Statutory Services
Ask for: Theresa Baker
Ext: 26545

HERTFORDSHIRE FIRE PENSION BOARD 28 FEBRUARY 2017

ATTENDANCE

MEMBERS OF THE BOARD

Employer Representatives: R Thake, S Hedger
Member Representatives: D Scotchford, S Joiner,

STANDING SUBSTITUTE MEMBERS

Employer Representatives: J Smith
Member Representatives: D Cooper

Note: For this meeting only the usual order of business was varied such that the chairman's announcements followed Items 1, 2 & 3: Introduction and election of the chairman and vice chairman for 2017 – 2018.

Upon consideration of the agenda for the Hertfordshire Fire Pension Board meeting on 28 February 2017 as circulated, copy annexed, conclusions were reached and are recorded below:

PART I ('OPEN') BUSINESS

1. INTRODUCTION

- 1.1 The Assistant Director Finance called the meeting to order and introduced the Democratic Services Officer.

2. APPOINTMENT OF CHAIRMAN

- 2.1 The Democratic Services Officer invited Board members to propose a nomination for the position of Chairman. R Thake was nominated by S Joiner and seconded by D Scotchford. There were no other nominations. R Thake was duly appointed as Chairman for the Hertfordshire Fire Pension Board.

ACTION

3 APPOINTMENT OF VICE CHAIRMAN

- 3.1 The Chairman invited Board members to propose a nomination for the position of Vice Chairman. D Scotchford was nominated by S Joiner and seconded by R Thake. There were no other nominations. D Scotchford was duly appointed as Vice Chairman for the Hertfordshire Fire Pension Board.

CHAIRMAN'S ANNOUNCEMENTS

- (i) The chairman welcomed the new members to the Board,
- (ii) The chairman highlighted the need for any outstanding Declaration of Interest forms to be completed and submitted and gave examples of issues that should be considered.

Note: No conflicts of interest were declared by any member of the Board in relation to the matters on which conclusions were reached at this meeting.

4. TRAINING SESSION

- 4.1 In view of the fact that the majority of the members of the Board were new, The Assistant Director Finance led a training session on the nature of the pension scheme, its governance structure, the Board's roles and responsibilities and its terms of reference which can be viewed at:
[Hertfordshire Fire Pension Board-28 February 2017-Training slides](#)
- 4.2 The Board heard that the Fire Pension Scheme had 3 iterations, was an unfunded, occupational scheme with benefits defined in law.
- 4.3 Members noted the relationship between the Board and the responsible authority (the Home Office), the scheme manager (Hertfordshire County Council with authority delegated to the Pensions Committee) and the scheme administrator (currently the London Pensions Fund Authority).
- 4.4 The Board were referred to slide 8 for the detail of the role of the Fire Pension Board. It was highlighted that the role of the Fire Pension Board was assistive rather than decision making. Its purpose was to review the actions and decisions of the Pensions Committee and ensure compliance with policies, rules and related processes via oversight gained by knowledge of problems at ground level.
- 4.5 A copy of the Fire Pension Board's Terms of Reference was tabled and can be viewed at:
[Hertfordshire Fire Pension Board - 28 February 2017 - Hertfordshire County Council Constitution, Annex 24.](#)

**CHAIRMAN'S
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	Attention was drawn to sections 3 and 3.2. Members noted that there would be an opportunity to review the constitution of the Board.	J Adam
4.6	The Board heard that members were required to acquire and develop their knowledge of pensions in order to carry out their role and the training session in progress counted towards this. To ensure that competency was achieved officers would maintain a register of member attendance; where possible training sessions would be run as part of meetings.	J Adam
4.7	As decided at the last meeting of the Board, members were requested to undertake online training via the Pensions Regulator Toolkit which could be completed in manageable sections. Any queries arising from this training should be addressed to the Chairman who would direct them to the appropriate officer.	R Thake J Adam
4.8	The Board noted that, at the request of the last meeting of the Board, the number of meetings had risen from the minimum of 2 to 4 per annum, and that this would be reviewed in the future.	J Adam
4.9	To ensure that meetings were quorate and could proceed it was agreed that officers would send out meeting dates, including potential ones, for the whole year ahead and Board members were requested to give notice in advance if they could not attend.	T A Baker
4.10	Officers were requested to update Board members' details on the LPFA and County Council websites.	T A Baker (T Mutter)
4.11	Officers were requested to email the Board a copy of the training slides and corrected links to the Calendar of Meetings and Information about the Board.	T A Baker
4.12	The Board heard that N Lewin (LPFA) would lead the next training session at the meeting on 14 June 2017 and would cover the detail of the three Schemes and discretion policies. It was noted that future training could also evolve from gaps in knowledge identified from members' questions.	
5	MINUTES	
5.1	The Minutes of the Hertfordshire Fire Pension Board meeting held on 20 July 2016 were confirmed as a correct record and signed by the Chairman.	
6.	FIREFIGHTER'S PENSION FUND STATEMENT OF ACCOUNTS 2015/16 [[Officer Contact: Jolyon Adam, Finance Manager, Specialist Accounting (Telephone: 01992 555078)]	

- 6.1 Members received a report and associated audited Firefighter's Pension Fund Statement of Accounts for 2015/2016.
- 6.2 Members were referred to Appendix A to the report for the audited Statement of Accounts. The findings of the audit were published within the Audit Results Report (ARR) of the main Hertfordshire County Council audit (Appendix B to the report) and had been signed off by Audit Committee on 23 September 2016.
- 6.3 The Board noted that there were no investment assets to meet pension liabilities in such unfunded, defined benefits schemes. Consequently employee and employer contributions met the full cost of pension liabilities accrued for current employees, whilst central Government grant met any gap in the cost of retirement pensions in payment, equating to £8,360k in 2015/16.
- 6.4 Members noted that the AAR had issued an unqualified opinion on the Hertfordshire County Council and Firefighter's Pension Fund financial statements, with no recommendations made.

Conclusion:

- 6.6 The Fire Pension Board noted the accounts of the Firefighter's Pension Scheme 2015/16.

7. THE PENSIONS REGULATOR BENCHMARKING

[Officer Contact: Jolyon Adam, Finance Manager, Specialist Accounting (Telephone: 01992 555078)]

- 7.1 The Board considered a report on a benchmarking exercise carried out by The Pensions Regulator (TPR) in their survey of governance and administration of public service pension schemes, with a view to:
- i. recommending the actions to further improve governance and administration of the Firefighter's pension fund,
 - ii. reviewing and approving the Policy for Reporting Breaches of the Law to the Pensions Regulator set out in Appendix B.
- 7.2 Members noted the low response to the September 2015 benchmarking questionnaire to baseline governance and administration standards for public service pension schemes, which focused on internal controls, record keeping and provision of accurate and high quality communications to scheme members, but not financial benchmarking. The results of a similar exercise in December 2016, to gauge progress in improving performance of the schemes, were not yet published.

7.3	The Board heard that although the Firefighter's Pension Fund had scored well (c.f. Appendix A to the report for the details), a number of areas for development had been identified and a Development and Improvement Action Plan (section 5 to the report) undertaken, progress on which would be provided via Quarterly Performance Reports.	
7.4	Members heard that, as part of the Action Plan, a draft policy had already been drawn up on Reporting Breaches of the Law to The Pensions Regulator (Appendix B to the report) and if approved would be published and effective from March 2017. It was highlighted that this policy enabled any stakeholder to report such breaches, also that the traffic light framework should be used to decide whether a breach warranted reporting and that all breaches should be recorded even if not reported.	
7.5	During discussion on raising engagement with The Pensions Regulator benchmarking surveys, members requested that J Smith highlight the issue of low participation with the Chief Fire Officer for communication to other Fire Authority chairmen in their capacity as scheme managers for their locally administered fire scheme.	J Smith
7.6	Members were advised that a rolling forward plan of the work of the Board would be prepared for its meeting on 14 June 2017.	J Adam
Conclusion:		
7.7	<p>1. The Fire Pension Board noted the content of the report and considered the actions to further improve governance and management of the Firefighters' Pension Fund.</p> <p>2. The Fire Pension Board reviewed and approved the Policy for Reporting Breaches of the Law to The Pension Regulator as set out in Appendix B to the report.</p>	
8.	LONDON PENSIONS FUND AUTHORITY FIREFIGHTERS PENSIONS ADMINISTRATION REPORT [Contact: Mike Allen – Director of Pensions (LPFA)]	
8.1	<p>The Board considered a report from the London Pensions Fund Authority (LPFA) to update it on the delivery of the pensions fund administration services with respect to:</p> <ul style="list-style-type: none"> • statistics and key performance indicators; • an update on regulatory changes, including the latest information on potential scheme changes. 	
8.2	Members heard that membership of the scheme between Q4 2015/16 and Q3 2016/17 had remained approximately level and	

that performance against Service Level Agreement was 97% over the period April 2016 to December 2016. There had been no LPFA or Fire Authority complaints and 1 ongoing Internal Dispute Resolution Procedure (IDRP), an update on which would be provided at the next meeting of the board.

- 8.2 It was noted that any unresolved complaints were further reviewed by the Assistant Director Finance, and if the complainant was still not satisfied the issue was escalated to the Chief Legal Officer and if necessary on to the ombudsman.
- 8.3 In respect of the contribution holiday for members of the 1992 Firefighters Pension scheme, of the 63 people who had been identified in the Hertfordshire scheme for a refund of 2 years of contributions 62 had replied.
- 8.4 The Board noted ongoing discussions between the Fire Brigade Union and its legal advisors, on the ability of Fire Pension Schemes to bear the financial strain of the Tribunal decision to reject the age discrimination claims relating to 'protection' arrangements for firefighters in the 1992 scheme.
- 8.5 The new August deadline for issuing the Annual Benefits Statements was noted.
- 8.6 The need for education of Scheme members to understand their pension benefits was highlighted, including the effect of promotions and potential significant additional income on their tax status. Clair Alcock's recommendation that the Annual Allowance figure be included within the 2017 Annual Benefit Statements was noted, and also that the Board would have early sight of the statement to ensure it was understandable.
- 8.7 The Board noted the Supreme Court decision to allow extension of pension benefits to unmarried partners via nomination, and that this was communicated to members of the 2016 Firefighters Pension Scheme (FFPS) via fire brigade payslips (it was noted that the authority would still pay without a nomination). Nominations were not an option of the 1992 FFPS, and in view of the difficulties associated with establishing the length of cohabitation of a deceased fireman where the burden of proof would lie with the claimant, there were no possible claims from this scheme.

Conclusion:

- 8.8 The Fire Pension Board commented as above on information and content that should be included in future reports on Firefighters Pension Scheme administration.

DATES OF FUTURE MEETINGS

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9. OTHER PART I BUSINESS

There was no other PART I business.

KATHRYN PETTITT
CHIEF LEGAL OFFICER

CHAIRMAN_____

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