

# Agenda



**AGENDA for a meeting of the HERTFORDSHIRE FIRE PENSION BOARD to be held in COMMITTEE ROOM A, County Hall, Hertford on FRIDAY, 15 DECEMBER 2017 AT 10.00 AM**

## **MEMBERS OF THE BOARD (4) - QUORUM (4)**

**Employer Representatives – T W Hone (Chairman),  
Member Representatives – D Scotchford (Vice Chairman), S Joiner**

## **STANDING SUBSTITUTE MEMBERS**

**Employer Representative – J Smith  
Member Representative – D Cooper**

Meetings of the Board are open to the public (this includes the press) and attendance is welcomed. However, there may be occasions when the public are excluded from the meeting for particular items of business. Any such items would be taken at the end of the public part of the meeting and listed under "Part Two ('closed') agenda".

Committee Room A is fitted with an audio system to assist those with hearing impairment. Anyone who wishes to use this should contact main (front) reception.

**Members are reminded that all equalities implications and equalities impact assessments undertaken in relation to any matter on this agenda must be rigorously considered prior to any decision being reached on that matter.**

Members are reminded that:

(1) if they consider that they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting they must declare that interest and must not participate in or vote on that matter unless a dispensation has been granted by the Standards Committee;

(2) if they consider that they have a Declarable Interest (as defined in paragraph 5.3 of the Code of Conduct for Members) in any matter to be considered at the meeting they must declare the existence and nature of that interest but they can speak and vote on the matter

## AGENDA

### 1. MINUTES

To confirm the minutes of the meeting of the Board held on 27 September 2017 as a correct record.

### 2. COMMUNICATION POLICY STATEMENT 2017

Report of the Director of Resources

### 3. LOCAL PENSIONS PARTNERSHIP FIREFIGHTERS PENSIONS ADMINISTRATION REPORT

Report of LPP

### 4. DATES OF FUTURE MEETINGS

The Board is invited to note the dates of future meetings, as follows:

**23 March 2018**

**19 July 2018**

## EXCLUSION OF PRESS AND PUBLIC

There are no items of Part II business on this agenda. If Part II business is notified the Chairman will move:-

*“That under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph.....of Part 1 of Schedule 12A to the said Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”*

**If you require further information about this agenda please contact Theresa Baker, Democratic Services, on telephone no (01992) 556545 or e-mail [theresa.baker@hertfordshire.gov.uk](mailto:theresa.baker@hertfordshire.gov.uk)**

Agenda documents are also available on the internet at:

[www.hertfordshire.gov.uk](http://www.hertfordshire.gov.uk)

**KATHRYN PETTITT  
CHIEF LEGAL OFFICER**

## Minutes



To: All Members of the Hertfordshire Fire Pension Board, Chief Executive, Chief Officers, All officers named for 'actions'

From: Legal, Democratic & Statutory Services

Ask for: Theresa Baker

Ext: 26545

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### HERTFORDSHIRE FIRE PENSION BOARD

27 SEPTEMBER 2017

#### ATTENDANCE

#### MEMBERS OF THE BOARD

**Employer Representatives:** T W Hone (chairman), J Smith (substituted for S Hedger)  
**Member Representatives:** S Joiner, D Scotchford (vice chairman)

#### STANDING SUBSTITUTE MEMBERS

**Employer Representatives:**  
**Member Representatives:**

Upon consideration of the agenda for the Hertfordshire Fire Pension Board meeting on 5 July 2017 as circulated, copy annexed, conclusions were reached and are recorded below:

#### PART I ('OPEN') BUSINESS

##### 1. MINUTES

- 1.1 The Minutes of the Hertfordshire Fire Pension Board meeting of 27 September 2017 were confirmed as a correct record and signed by the Chairman.

##### 2 FIREFIGHTER'S PENSION FUND STATEMENT OF ACCOUNTS 2016/17

[Officer contact: Liz Farquhar, Senior Accountant  
(Tel: 01992 556797)]

- 2.1 The Board received a report on the Firefighter's Pension Fund Statement of Accounts for 2016/17 ("the Accounts") attached as Appendix A to the report. It was noted that as an unfunded scheme

#### ACTIONS

the Firefighter's Pension Fund formed part of Hertfordshire County Council's annual Statement of Accounts which had been audited and signed off by Audit Committee on 11 September 2017 (Appendix B to the report).

- 2.2 It was highlighted that this had been a very good result for the Hertfordshire County Council and Firefighter's Pension Fund financial statements, the auditors having issued an unqualified opinion with no recommendations.
- 2.3 Members heard that the reduction, from £5,290,000 in 2015/16 to £4,811,000 in 2016/17, in total contributions received by the Firefighter's Pension Fund was attributable to the reduced employer/employee percentage paid into the new scheme and retirement of members from earlier schemes where the percentage contribution was higher.
- 2.4 Officers agreed to include a report on the Firefighter's Pension Fund Statement of Accounts into the annual programme of reports.
- 2.5 During discussion of temporary promotions (i.e. acting up) for the 1992 Scheme members and the effect on their member contribution rate, the Board heard that the payroll system identified different pensionable wage types such as temporary promotions and excluded these when assessing pensionable pay. Officers agreed to clarify the situation with HR Payroll and Serco.

J Adam

T Mutter

**Conclusions:**

- 2.6 The Fire Pension Board noted the accounts of the Firefighter's Pension Scheme 2016/17.

**3. LONDON PENSIONS PARTNERSHIP  
FIREFIGHTERS PENSIONS ADMINISTRATION REPORT**

[Officer Contact: Taryn Mutter – Head of Client Delivery (LPP)]

- 3.1 The Board considered a report from the London Pensions Partnership (LPP) which provided the quarterly update on delivery of the pensions fund administration services with respect to statistics and key performance indicators; an update on regulatory changes, including the latest information on potential scheme changes and additional projects.
- 3.2 T Mutter introduced George Graham (Managing Director LPP).
- 3.3 Members heard that a 'Drop in day' had been scheduled for 17 October 2017 at which LPP would explain the implications for Firefighter's Pension Fund members close to the Annual or Lifetime Allowance triggers and that N Lewins (LPP) had already issued the

I Parkhouse  
J Smith

	letters to those scheme members. The Board highlighted that the Fire Service itself should also encourage fire fighters to attend the 'Drop in Day' via advertising and internal communications.	S Joiner D Scotchford D Cooper
3.4	The Board requested to be kept up to date on the progress of the timetable relating to the Annual and Lifetime Allowance.	T Mutter
3.5	G Graham detailed the LPPs New Operating Model for its Administration Business due for implementation in 2018. Members noted that its purpose was standardisation via a series of three hubs delivering key aspects of the business and each of which would also carry out the full range of pension administration functions. Economies of scale would be achieved via standardisation and concentration of activity in lower cost places, whilst increased productivity would be achieved by changes to the way in which things were done. The Board heard that all staff would operate across all customers regardless of where they were based thus staff resources could be directed to business pressures as they arose.	
3.6	During discussion it was highlighted that, as part of the New Operating Model, movement of Hertfordshire Fire Pensions Administration to the specialist London team who already administered the pensions of a number of other Fire Authorities, would provide more expertise and resilience to the Authority including access to surgeries on difficult to understand benefits statements. Subject to technical discussions and sign off by officers calls would start to be taken by the Call Centre in January 2018 and following that email traffic and support. It was noted that although a drive to standardised email-communication was part of the model, members of the scheme would be given two paper opportunities to confirm whether they wished to opt out of email communication and remain in receipt of a hard copy of future communications.	
3.7	It was noted that T Mutter would manage with the engagement hub (i.e. improvement of the telephone service, response to emails, charts for those joining the pension scheme and those approaching retirement, presentations) but would continue to provide support to Hertfordshire.	
3.8	The Board requested to be kept up to date on training, communications and administration strategies.	T Mutter G Graham
3.9	During debate on the LPP's aim to increase uptake of online member self-service the Board highlighted access issues due to shared computers at fire stations. The Board agreed to investigate the possibility of access to personal email at stations and other options for firefighters who did not have work email addresses.	J Smith

**Conclusion:**

3.10 The Fire Pension Board commented on additional information and content to be included in future reports.

**4. DATES OF FUTURE MEETINGS**

15 December 2017  
23 March 2018  
19 July 2018

**OTHER PART I BUSINESS**

There was no other PART I business.

**KATHRYN PETTITT  
CHIEF LEGAL OFFICER**

**CHAIRMAN** \_\_\_\_\_

**CHAIRMAN'S  
INITIALS**

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**COMMUNICATION POLICY STATEMENT 2017**

Report of the Director of Resources

Author: Jolyon Adam, Finance Manager (Tel: 01992 555078)

**1. Purpose**

The purpose of this report is to provide members of the Hertfordshire Fire Pension Board with an updated version of the Communication Policy Statement (Appendix A), which was last reviewed in January 2016.

**2. Summary**

- 2.1 The Firefighters Pension Scheme Communication Policy sets out how Hertfordshire County Council communicates with all scheme members and prospective scheme members about the Firefighters pension schemes, covering the many different ways that scheme members are communicated with.
- 2.2 The statement must set out the Fund's policy on the provision of information, the format, frequency and method of distributing this information and the promotion of the Scheme to prospective members.
- 2.3 The statement must be revised by the administering authority following a material change in their policy on any of the matters referred to in the above.

**3. Recommendations**

- 3.1 That the Board approves the 2017 Communication Policy Statement.

**4. Key Changes**

- 4.1 The 2016 Communication Policy Statement has been updated to reflect changes primarily with regard to electronic communications listed below.
- 4.2 The fund is seeking to prioritise electronic means of communication with members where possible, and particularly in respect of future Annual Benefit Statement exercises. The fund will be seeking to make these statements available to individuals online, with electronic notification of their publication. This is in line with the practice of a number of other funds.

- 4.3 In moving to electronic communications all members must be given clear written notice of the intention to change the default method of communication, and be provided with the opportunity to opt out of electronic communications and continue to receive paper hard copies. Officers will be working with the Local Pensions Partnership (LPP) to ensure that this requirement is met.
- 4.4 The new policy also reduces the frequency of pensioner newsletters from three per year, down to annual publications. It is felt that there is not the volume of relevant updates for pensioners to justify the more frequent communications, and an annual newsletter will be more impactful. This is in line with the practice of a number of other funds supported by LPP.



# APPENDIX A

# COMMUNICATION POLICY STATEMENT

December 2017

Hertfordshire Firefighters Pension Scheme



## **Communication Policy Statement**

This policy statement sets out how as an employer Hertfordshire County Council communicates with scheme members, and prospective members, in regard to the Firefighters Pension Schemes.

### **Electronic Communications**

The scheme is seeking to move to electronic means of communication with members, as opposed to paper hard copies, where possible. This will include online self-service, as well as email communications, notifications, payslips and alerts.

Before changing the form of a particular communication the Authority is required to provide members with a formal written notice to that effect, as well as provide the opportunity for members to opt out of electronic communication and continue to receive hard copies. In future ABS Statements, Payslips and Pensioner Newsletters will be provided electronically unless members opt out.

### **Pensions Committee and Pension Board Reports and Minutes**

These are available from the Hertfordshire County Council website;  
<http://cmis.hertfordshire.gov.uk/hertfordshire/CabinetandCommittees.aspx>

### **Advice and Help**

The Local Pensions Partnership (LPP) who administers the Firefighters Pension schemes on behalf of Hertfordshire County Council is available to give advice on the telephone, by letter or by email to scheme members and the employer. Comprehensive information and guidance is also accessible from the Pension Fund website at [www.yourpension.org.uk/HCCFire/Pensions-Home](http://www.yourpension.org.uk/HCCFire/Pensions-Home), and the member self-service portal (available at the same link).

### **Annual Benefit Statements**

All active and deferred scheme members receive an Annual Benefit Statement setting out the level of benefits that have been built up, along with a forecast of benefits at retirement. There is a requirement to publish statements by 31 August, containing information about benefits, up to and including those accrued over the previous financial year.

### **Internet**

The Pension Fund's website provides information about Scheme benefits. Scheme members may also have access to information about their pension benefits by subscribing to an on-line service. This can be found at [www.yourpension.org.uk/HCCFire/Pensions-Home](http://www.yourpension.org.uk/HCCFire/Pensions-Home)

## **Information Letters**

Information about changes in regulations is provided to employees through a range of media, including email, letter and workshop sessions.

## **Payslips**

All active members receive payslip which includes details of pension deductions. All pensioners receive at least three payslips each year and messages are included whenever there is new information to be communicated.

## **Newsletter for Active Members**

Protect, Community Protection newsletter is issued monthly and includes articles on pension as and when required.

## **Newsletter for Pensioners**

Pensioner newsletters will be published annually and will be hosted online, unless members opt out of electronic communications in which case they will continue to receive a hard copy.

## **Prospective Scheme Members**

The methods used to ensure that prospective members are aware of the Scheme and its benefits are:

## **Job Advertisements**

The Firefighters Pension scheme is advertised as a benefit as part of any recruitment process.

## **Scheme Booklet**

All new starters are provided with a link to the Scheme booklet which summarises the benefits available from the Pension Fund. This can be found at:

<http://www.yourpension.org.uk/HCCFire/2006-Scheme/Scheme-Guide.aspx>

**LOCAL PENSIONS PARTNERSHIP  
FIREFIGHTERS PENSIONS ADMINISTRATION REPORT**

Author: Taryn Mutter – Head of Client Delivery (LPP)

Agenda Item  
No:

**3**

**Purpose of the report**

This report is provided by the Local Pensions Partnership (LPP) giving a quarterly update on the delivery of the pensions fund administration services in the following sections.

- Section 1: Statistics and key performance indicators
- Section 2: An update on regulatory changes, including the latest news on the potential scheme changes
- Section 3: Additional Projects

**Recommendations**

Comments are welcome as to additional information or content that should be included in future reports.

## SECTION 1 STATISTICS AND KEY PERFORMANCE INDICATORS

### 1.1 Pensions Fund Statistics

#### Scheme Membership:

Membership of the Firefighter Pension Arrangements over the past year are summarised below:

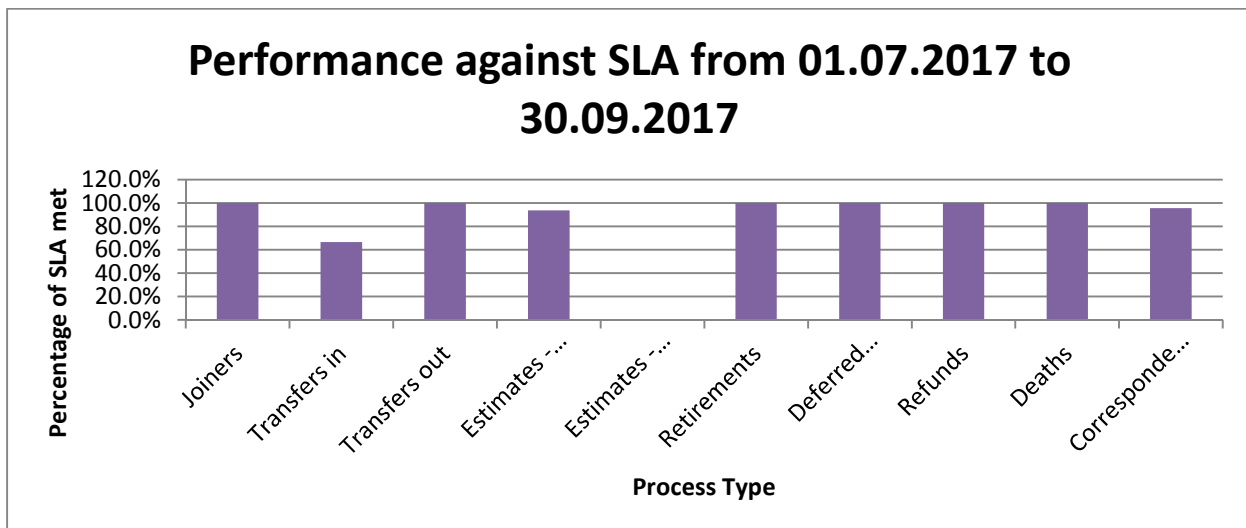
	Q3 2016/7	Q4 2016/7	Q1 2017/18	Q2 2017/18
Active Members	605	602	591	606
Deferred Members	229	243	253	263
Pensioners/Dependants	643	643	649	652

### 1.2 Performance Indicators

The LPP Pensions Administration Services is measured against key performance indicators that measure compliance, efficiency and effectiveness of the service. See Section 1.3.

### 1.3 Performance for the LPP Pensions Administration Service

**Service Level Agreement and Volumes:** The following graph provides a quarterly review of key areas and performance achieved with performance overall during the period over 93.67%.



1 transfer in case, 2 estimate cases, 1 employer estimate case and 1 correspondence case were not completed within Service Level Agreement (SLA) but they were completed within the agreed rectification period, however this is against the backdrop of additional transaction volumes experienced within the quarter – as seen in the table opposite.

<b>Key Processes Completed</b>	<b>01.10.2016 to 31.12.2016</b>	<b>01.01.2017 to 31.03.2017</b>	<b>01.04.2017 to 30.06.2017</b>	<b>01.07.2017 To 30.09.2017</b>	<b>Performance against SLA %</b>
Admissions	0	2	1	2	100%
Transfers in	0	0	1	3	66.7%
Transfers out	1	0	1	3	100%
Estimates - member	21	37	26	32	93.8%
Estimates - employer	0	0	0	1	0.00%
Retirements	1	1	4	3	100%
Deferred benefits	2	5	3	6	100%
Refunds	0	0	3	2	100%
Deaths	0	0	2	4	100%
Correspondence	29	16	12	23	95.7%
<b>Total Key Processes Completed</b>	54	61	53	79	93.7%

Work continues to move the Herts Fire Pensions Administration to the specialist team in London who are also responsible for administering pensions for London Fire Brigade, Beds Fire & Rescue Authority and Kent Fire & Rescue Authority. The intention is to provide more expertise and resilience to the Authority and scheme members whilst maintaining a presence in the Hertfordshire office.

#### **LPP Service Complaints**

- None

#### **Fire Authority Complaints**

- None

#### **IDRP's**

- None

## **SECTION 2 FIREFIGHTERS PENSION SCHEME REGULATIONS AND SCHEME CHANGES**

### **2.1 Legal Challenge Regarding Pension Protection Arrangements**

Following the legal challenge to the 'protection arrangements' for firefighters in the 1992 scheme which was judged to be justified by the Central London Employment Tribunal, the Fire Brigade Union has announced that they intend to appeal the ruling. The hearing will be held in the first 2 weeks of December.

### **2.2 Amendment Regulations**

The Fire Amendment Regulations (the Firefighter's Pension Schemes and Compensation Scheme (Amendment) (England) order 2017 (2017/892) and The Firefighters' Pension Scheme (England) (Amendment) Regulations 2017 (2017/881) have been laid on the 11 September 2017.

The most significant amendments are as below:

A SI 2017/892 gives effect to the government decision as was announced in the budget of 18 March 2015 that widows, widowers, and surviving civil partners of firefighters and police officers who died or die on duty in England and Wales would no longer lose their survivor benefits if they remarry or form a civil partnership. On 12 October 2015, the Home Secretary announced in the House of Commons that, in respect of police pensions, such changes would be applied retrospectively to marriages, remarriages and civil partnerships entered on or after 1 April 2015. The current reforms regarding firefighters are consistent with that approach.

B SI 2017/888 ensures that where a member of the 1992 or 2006 scheme is due to taper into the 2015 scheme, but is undertaking consideration for potential ill health retirement, they should remain in the 1992 or 2006 scheme until the decision has been taken.

## 2.3 Annual and Lifetime Allowance

LPP has contacted all scheme members who have exceeded or are close to exceeding the Annual Allowance or Lifetime Allowance limits. The letter included details of 'drop in days' to enable individuals to discuss their personal circumstances.

The timetable below shows the plans and how it ties in with the HMRC requirements.

Date	Event	Status
31 August 2017	Annual Benefit statements issued	Complete
6 October 2017	Individual letters to members affected by Annual Allowance issued	Complete
17 October 2017 & 14 November 2017	Drop in day	Complete
31 January 2018	Self-assessment deadline (individuals with a tax charge must complete their self-assessment by 31 January 2018)	
31 July 2018	Deadline for member to inform LPP if they intend to use scheme pays	

## SECTION 3 – ADDITIONAL PROJECTS

### 3.1 GMP Reconciliation

Work is underway to produce the project plan and the cost model for the third and final phase of the reconciliation exercise. This final phase will incorporate the analysis of the active membership, a refreshed analysis of the deferred and pensioner membership, the resolution of any new discrepancies identified and the resolution of the queries raised with HMRC in the previous phase of the reconciliation.

Once the project plan has been signed off internally LPP will approach Hertfordshire Fire & Rescue Service for comment and agreement.

In addition, HMRC announced in its November countdown bulletin that it no longer intends to issue statements to individuals with details of their contracted out history. This was expected to be dispatched in December 2018. The HMRC explanation is that in light of Personal Tax Accounts, the Pension tracing service and, eventually the pensions dashboard, this is no longer necessary.