

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 MARCH 2019

ATTENDANCE

MEMBERS OF THE BOARD

Employer Representatives: T W Hone (Chairman), G Goodchild

Member Representatives: D Scotchford (Vice Chairman)

STANDING SUBSTITUTE MEMBERS

Employer Representatives: J Smith

Member Representatives: D Cooper

Upon consideration of the agenda for the Hertfordshire Fire Pension Board meeting on 28 March 2019 as circulated, copy annexed, conclusions were reached and are recorded below:

Note: For this meeting only the usual order of business was varied such that the chairman's announcements followed Items 1a & 1b: appointment of the chairman and vice chairman for 2018– 2019

PART I ('OPEN') BUSINESS

1a. APPOINTMENT OF CHAIRMAN

1a1 The Democratic Services Officer invited members to propose a nomination from amongst the employer representatives for the position of Chairman. T Hone was nominated by G Goodchild and seconded by D Scotchford. There were no other nominations. T Hone was duly appointed as Chairman for the Hertfordshire Fire Pension Board.

1b. APPOINTMENT OF VICE CHAIRMAN

1b1 The Chairman invited members to propose a nomination from

amongst the member representatives for the position of Vice Chairman. D Scotchford was nominated by D Cooper (substituting for S Joiner) and was seconded by G Goodchild. There were no other nominations. D Scotchford was duly appointed as Vice Chairman for the Hertfordshire Fire Pension Board.

CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Tristan Ashby CEO FRSA, Scheme Advisory Representative who was attending to observe LPBs in the eastern region; Toni Sawkins, Team Leader Fire Pensions South LPP; and Neil Lewins, Technical Advisor LPP.

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.

1c. MINUTES

- 1c1. The Minutes of the Hertfordshire Fire Pension Board meeting of 19 July 2018 were confirmed as a correct record and signed by the Chairman.

2. LOCAL PENSIONS PARTNERSHIP FIREFIGHTERS PENSIONS ADMINISTRATION REPORT

[Contact: Taryn Mutter – Head of Engagement and Customer Liaison (LPP)]

- 2.1 The Board considered a report which provided the LPPs quarterly update on delivery of the pensions fund administration services.
- 2.2 The increase in active, deferred and pensioners/dependant membership of the firefighter pensions over the past year was noted. The Board expressed concern that continued growth of the deferred membership could cause a long term problem and requested that LPP provide the July 2019 meeting of the Board with the last 5 years of data on the number of firefighters with deferred pensions in the schemes, and ongoing the annual data on deferred pensions at the spring meeting of the Board.
- 2.3 LPP were investigating new ways to increase firefighter sign up to the new look My Pension Online – Member Self Service firefighters' pensions scheme website and, in view of its increased autonomy over the website, welcomed feedback and suggestions on what firefighters would like on it, e.g. guides, FAQs, links to other fire pension board websites; options currently accessible included nominations and financial modelling for retirement. New literature on the website was also being produced and could be placed in fire stations to encourage further sign up to it.

T Mutter

**CHAIRMAN'S
INITIALS**

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2.4 T Mutter clarified that the error rate on the service level agreement (SLA) was based on complaints received in relation to actual LPP errors (i.e. not complaints which arose because regulations prohibited LPP from providing the information requested). The quality aspect of the service complaints was dealt with by checking the procedures.

2.5 Members heard that N Lewins (LPP) would bring a report back to the Board, on the outcome of the government's appeal to the supreme court judgement against the Public Sector Age Discrimination Appeal raised and 'won' by both the FBU and the Judiciary in regard of transitional protection arrangements. The government's appeal against the ruling by the Supreme Court had also put on hold the Scheme Advisor Board's (SAB) proposal to rectify the breach to the cost cap floor by improving benefits.

N Lewins

2.6 The Board were updated that:

- Public Sector Pensions would not be in the first tranche of pensions on the government's pensions dashboard;
- The SAB chairman had concerns about the potential for fraud arising from advertising which could lead to mis-selling of pensions advice and potential loss of firefighter's pension funds;
- The SCAPE discount rate affected public sector pensions including the employer contribution rate for firefighter pensions;
- The Treasury had advised that the GMP equalisation court case would not further impact the firefighter's pension scheme.

2.7 The Board heard that the documents compiled to assist FRA's to review their discretions polices would be uploaded to the Member website hosted by LPP. Council officer's would also check that nothing further could be done and provide the Board with a note on the outcome.

E Austin

2.8 The Board received a detailed explanation of Voluntary Scheme Pays (VSP), noted the three likely categories that could trigger it and heard that those who were only in the 1992 scheme could ask for the tax to be paid from the pension scheme and have the money recovered from their pensions in the future (Mandatory Scheme Pays – MSP), or could settle directly over the remainder of their service.

2.9 In view of the fact that HMRC would not allow Mandatory Scheme Pays to apply to more than one scheme, LPP asked whether Hertfordshire Fire Authority would consider payment to HMRC by Voluntary Scheme Pays (VSP) at the first available date to avoid interest accrual; prompt confirmation of this option would enable firefighters to be advised that they could manage their tax bill by VSP when Annual Allowance letters were sent.

- 2.10 Officers clarified that VSPs did not impact the Council's finances however if one of the affected firefighter's died before paying off their VSP the Fire Pension Fund itself would be the impact.
- 2.11 Subsequent to discussion on VSP the Board requested that officers develop a policy on VSP in the firefighters' pension schemes for consideration by Pensions Committee on 12 July 2019 and then to the Board on 25 July 2019.

E Austin

Conclusions:

- 2.12 The Board requested, as above, additional information / content for inclusion in future reports.

3 REPORT ON FIREFIGHTER PENSION SCHEME 2006 & 2015 ON-CALL FIREFIGHTER PENSIONABLE PAY

[Contact: Hannah Delivett, HR Officer, Strategy, Policy & Reward
(Tel: 01992 556796)]

- 3.1 The Board considered a report on drill fees (an additional element of pay) for On-Call (previously known as retained) Firefighters within the 2006 & 2015 Firefighters Pension Schemes (FPS) which had been identified as having been incorrectly treated as non-pensionable.
- 3.2 Officers clarified that the issue had been raised as a consequence of a pensions complaint, after which they had reviewed all the advice and regulations and concluded that none specifically directed that drill fees were pensionable. Comparison to the treatment of drill fees by other fire authorities was not possible as some other authorities treat different elements as contractual, however comparison to regional groups had revealed that some treat it as pensionable and in light of this HFRS had also taken this view.
- 3.3 Although officers were confident that they were treating the correct items of pay as pensionable, nonetheless all remaining elements would be examined to test whether they were pensionable.
- 3.4 275 firefighters were estimated to be affected with outstanding drill fee contributions totalling £123,000 for employees (the majority owing less than £1,000 each) and £170,000 for employer contributions.
- 3.5 The Board noted the agreed actions and timetable to remedy the situation for payments received from April 2013 to March 2019 and on-going to prevent further arrears of these pension contributions.

**CHAIRMAN'S
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3.6 Due to the proximity of the financial year end it was too late to include the details within the Annual Benefits Statement of 2018-19 so an explanatory note would accompany it, with re-issue in 2020 once pension records had been updated. To bring the issue to the attention of firefighters, workshops and presentations would be undertaken and individual letters issued to those officers affected. Officers agreed to provide the Board with a link to the presentation and Board Members who were themselves firefighters observed that on call firefighters had already attended the workshops and seen the presentation.

E Austin

3.7 The Board observed that terminology (i.e. 'drill' might also be considered as 'training') might account for the failure to identify the issue it as pensionable.

Conclusions:

3.8 The Pension Board noted the content of the report.

4. DATES OF FUTURE MEETINGS

4.1 The Board noted the dates of future meetings as follows:

25 July 2019: 10.00AM

5 OTHER PART I BUSINESS

There was no other PART I business.

**KATHRYN PETTITT
CHIEF LEGAL OFFICER**

CHAIRMAN _____

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