



Firefighter Pension Schemes Local Pension Board Minutes

Date of meeting	Monday 12th October 2015
Time of meeting	1.30pm training, 2.00pm meeting
Location of meeting	Room 41, Kelvedon Park

Attendees:

Employer representatives:

David Bill, Assistant Chief Fire Officer (acting Chair)
 Jane Corsham, Strategic HR Projects Manager
 Paul Hill, Assistant Chief Fire Officer (Chair) (apologies)
 Glenn McGuinness, Deputy Director of Finance

Employee representatives:

Graham Byford, RFU
 Nigel Dilley, FOA (apologies)
 Martin Leach, FBU
 Stuart McMillan, employee representative (apologies)

Invited participants:

James Durrant, Pensions Manager
 David Golding, Team Manager, Police and Fire Pension team/Pensioner payroll,
 Essex Pension Fund (apologies)
 Matt Mott, Communications Manager, Essex Pension Fund
 Lindsey Stafford-Scott, Director of HR and OD (apologies)
 Mark Wild, HR/Legal Liaison Officer (Training item)

	Agenda item	Action
1	<p>Welcome, introductions and apologies</p> <p>Matt Mott, Communications Manager of the Essex Pension Fund was welcomed to the meeting and introductions were made.</p> <p>James Durrant, Pensions Manager, was also welcomed to the meeting as an adviser.</p> <p>Apologies were received from Board members Paul Hill, Nigel Dilley and Stuart McMillan.</p>	

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	<p>Apologies were also received from David Golding of the Essex Pension Fund and Lindsey Stafford-Scott, Director of HR and OD</p>	
2	<p>Conflict of Interest declarations</p> <p>No conflict of interest were declared</p>	
3	<p>Modified Firefighters Pension scheme (retained modified scheme)</p> <p>Mark took Members through the presentation on the scheme which had been delivered to potential scheme members.</p> <p>Members thanked Mark for his training session and discussed the provision of this scheme and the additional significant activity to implement the scheme within both the Fire Authority and Essex Pension Fund. Members were advised that 6 briefing sessions were held for potential members of the scheme which were very popular and resulted in participants understanding their choices and electing to join the scheme. Approximately 160 members had elected to join the scheme which is a significant number when compared to other Fire Authorities.</p> <p>Members were advised that there will be a need to manage the back-dated pension contributions for some members for the next ten years and report on the membership they have purchased.</p> <div data-bbox="347 1451 411 1509" data-label="Image"> </div> <p>Modified Scheme member presentation</p>	
4	<p>Minutes of the previous meeting</p> <p>The action points from the previous meeting were discussed and the minutes were agreed.</p> <p>There were no outstanding actions to be carried forward.</p>	

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5	<p>Role of the Essex Pension Fund in pension administration</p> <p>Matt advised the Board about the role of the Fund.</p> <p>The remit is to translate regulation into practice and manage all the data held for members which will enable their pensions to be put into payment.</p> <p>There are some statutory obligations for the Scheme Administrator and also the Scheme Manager.</p> <p>The dedicated team provide estimates, annual benefit statements and liaise with members and the Fire Authority personnel with responsibility for Pensions.</p> <p>The Fund is developing a webpage for the Fire Schemes which will link to national websites and will provide the opportunity for members to find information and relevant forms.</p> <p>There is a Service Level Agreement between the Authority and the Essex Pension Fund which has been re-negotiated this year and will be template for the SLA for the next two years. Each year there is a discussion about costs and next year a review of the standard applied to the work provided. The Fund also provides services on a costed basis such as the administration of the retained modified pension scheme and the recalculations following the GAD vs Milne case.</p> <p>This will be an item on the next Pension Board meeting.</p> <p>Estimates of benefits are provided on request for cases such as divorce settlements and mortgage applications and for those who are near to retirement.</p> <p>The provision of Annual Benefit Statements this year will provide members with information on their pension membership.</p> <p>In future it was intended that there may be a self-service facility available to members to change their personal details etc.</p> <p>There is some manual processing of information currently but the new system within the Fund should</p>	<p>SLA with the Essex Pension Fund to be an agenda item for the next meeting (JC)</p>

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	<p>enable more and more processes to be automated.</p> <p>A Service policy on the provision of estimates would be useful to ensure that standards can be maintained for all.</p> <p>The number of pensions in payment has risen from 965 to 973 and active membership has fallen from 1173 to 1161. Within the first quarter there were 122 manual calculations done not including retained modified members.</p> <p>Next year with the reduction in the national insurance rebate, there is a large Guaranteed Minimum Pension exercise. This involves a comparison of the data held for the contracted out state scheme compared to the HMRC data and identifying any disparity and dealing with any underpayment issue and understanding any overpayments.</p>	
6	<p>Pay and Pension Project</p> <p>In Lindsey's absence Jane and Glenn updated the Board on the scope of the project. The project has a lead, Sue Burgess, who reports to Glenn. The purpose of the project is to review processes and systems that are used across pensions, pay and HR support to ensure that processes are smooth and with the customer at the heart of activity. The project will consider the resources needed to support administration and where processing activity should sit between Finance and Human Resources.</p> <p>Lindsey Stafford-Scott is the project sponsor.</p> <p>The Board requested that Lindsey is invited to the next meeting for an update report</p>	Lindsey to be invited to the next meeting (JC)
7	<p>FPS2015 – Transitional protection legal challenge</p> <p>In Lindsey's absence, Jane provided a brief update on the claim.</p> <p>The claim is by FBU members and is against the transitional protection that has been applied to younger members of the Fire Schemes. Younger members have transitioned to the new scheme already or will do so according to their age over the next xx years. The claim is therefore on the ground of</p>	Discuss with Lindsey the development of a risk register for the pension function (JC)

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	<p>age discrimination as well as an indirect claim on the ground of race and sex in that more female and ethnic minority employees have been recruited in recent year and are therefore likely to be younger and more subject to the transitional protections.</p> <p>Jane explained that the Local Government Association is co-ordinating a response and that test cases may come forward with the agreement of Fire Authorities. All Fire Authorities are included as well as the DCLG as a separate claim.</p> <p>The risk of this action was discussed with regard the impact on business as usual activity, data management and on-going resource needed.</p> <p>The Board requested that a risk register is developed for the Board to review. Jane advised that risks are identified in pension action planning but that she would discuss with Lindsey the development of risk register for the pension function for future reporting.</p>	
8	<p>Membership statistics</p> <p>James updated the meeting on membership statistics. The Service had the following membership in the Fire Schemes*:</p> <p>1992 – 29% 2006 – 6% 2015 – 49% Scottish Widows – 3% No membership – 13%</p> <p>* These figures do not take account of any retained modified scheme membership which is currently being processed.</p> <p>The opt out rates for the schemes were discussed. It was felt that these rates were not as bad as feared taking into account the feeling within the workforce about the change to scheme provision.</p> <p> 15.10.12 pension board presentation M</p>	

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9	<p>Annual Benefits Statements – process and update</p> <p>James updated the Board on the process to issue Annual Benefit Statements to operational employees this year. This will be to all whole time employees and on-call employees who are within 5 years of retirement. The statements have been received from Essex Pension Fund and will be checked. Additional notes will be developed to support with some modelling and FAQs. This will hopefully address questions which employees may have. In addition James will organise some briefing sessions for employees after the distribution of the statements. James will liaise with Essex Pension Fund to determine if they would also be in a position to support. James and Jane will consider the date for distribution of the statements taking into account the activity to undertaken above.</p> <p>Next year the statements will show the pension projection for all employees and all on-call firefighters will have a pension statement also.</p> <p>Jane confirmed that a significant amount of work by James, payroll and the Essex Pension Fund had gone into this activity this year and it is intended that the pay and pensions project will be able to identify where this process can be streamlined.</p>	
10	<p>Update on training/training plan</p> <p>James circulated a draft knowledge and understanding policy and asked all members to consider and feedback any comments.</p> <p>A draft training plan was also circulated which includes the learning and development activity suggested by the Local Government Association. A priority index was discussed for the activity some of which was considered more aspirational. It was identified training about tax and contracting out would be useful taking account the National Insurance changes which would come into effect from next April.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Local Pension Board Knowledge and Understanding Policy</p> </div> <div style="text-align: center;">  <p>Two year training Plan for Essex Fire Authority</p> </div> </div>	<p>Feedback any comments on the Knowledge and Understanding Policy (all)</p> <p>Update training plan with a priority list of activity and circulate to Board members for comments (JD and JC)</p> <p>Organise learning and development on tax and contracting out for January/February 2016 (JD)</p>

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11	<p>Regional Pension group meeting update</p> <p>Jane briefly updated the Board on the topics which were discussed at the last regional group meeting held on the 8th September.</p>	
12	<p>Any other business</p> <p>Martin asked whether substitutes would be allowed at the meetings. The issue of the logistics of maintaining the learning and development needs of a larger group were discussed. As it stands the quorate arrangements for the group would enable the meeting to go ahead if there were some absences. However this can be reviewed in the future.</p> <p>Matt advised of the national AGM for Fire Scheme practitioners. The Board were advised that Jane and James are speaking at the conference regarding the arrangements which they had put in place to train Board members.</p> <p>Matt queried his remit with regards to the group in the future. It was confirmed that his attendance had been really helpful and that the Board would wish to have a representative from the Fund to all future meetings if possible.</p> <p>Glenn asked for the presentations to be provided electronically. Jane confirmed that they would all be available with the minutes of the meeting and published on the service intranet.</p> <p>Dave asked for the minutes to be notified via the weekly e brief</p>	<p>EPF to be invited to all future Board meetings (JC)</p> <p>Presentations to be circulated with the minutes of the meeting via the weekly e brief. (JC)</p>
13	<p>The meeting closed at 4.15pm</p> <p>Date of next meeting</p>	<p>The next meeting will be held in March.</p> <p>Executive support to organise.</p>