



Firefighter Pension Schemes Local Pension Board Minutes

Date of meeting	Wednesday 23rd March
Time of meeting	10.00am
Location of meeting	Room 41, Kelvedon Park

Attendees:

Employer representatives:

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

Employee representatives:

Graham Byford, RFU
Nigel Dilley, FOA
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 (apologies)
Sue Burgess, Payroll Change Manager

	Agenda item	Action
1	Welcome, introductions and apologies Matt Mott, Communications Manager of the Essex Pension Fund and David Golding, Team Manager, Essex Pension Fund had given their apologies. James Durrant, Pensions Manager, was also welcomed to the meeting as an adviser. Apologies were received from Board members Glenn McGuinness and Stuart McMillan.	

	Agenda item	Action
	The meeting was declared as quorate.	
2	<p>Conflict of Interest declarations</p> <p>No conflict of interest were declared</p>	
3	<p>Minutes of the previous meeting</p> <p>The action points from the previous meeting were discussed and the minutes were agreed.</p> <p>The risk register for the Local Pension Board and the Fire Pension Schemes is to be a facilitated discussion at the Regional Pension Group meeting.</p>	
4	<p>Update on training, training plan and regional training event</p> <p>James updated the meeting and shared the 2 year training plan for the Board. The training for the Board means that a lot has been achieved. The green sections on the plan means that training has been undertaken. It was confirmed that members are not required to be experts but they do need a knowledge and understanding which would enable them to undertake their role on the Board. The Orange sections are the next priority learning for Board members. Members agreed to bring forward the training on employer discretions and TUPE and to discuss specific timings for the training at the next meeting</p> <p>Members should have an understanding of Auto-enrolment as it is the 3 years anniversary of the Authority's staging date in September this year.</p> <p>This year is also a valuation year for the Fire Schemes which will determine the employer contribution rates for the schemes and Members should have an awareness of this process and outcome.</p> <p>Graham requested that training or an email advice is given prior to the meeting when specific issues are to be discussed.</p> <p>The feedback from the Regional Training for Pension Board members had been very positive. Some had feedback that the content had been very technical but</p>	<p>Training plan and timings to be on next meeting agenda.</p>

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	<p>this served to illustrate the complexity of Pension administration and governance and the important role of the Pension Board.</p> <p>The Regional Group had confirmed that training held every 6 months on a regional basis for Local Pension Board members would be really useful to ensure all across the region were able to undertake their roles. The training co-ordinated and hosted by Essex has been seen as good practice by the national pensions lead and has been commended as an approach to other regional groups.</p>	
5	<p>Role of the Essex Pension Fund in pension administration – discussion of the Service Level Agreement.</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. 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>The SLA is about to be finalised and signed by both parties. The Addendum to the SLA is informative regarding standards for providing information.</p> <p>This will be a regular 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. An Authority policy on the provision of estimates would be useful to ensure that standards can be maintained for all.</p> <p>The provision of Annual Benefit Statements in November 2015 was a significant achievement and has enabled employees to understand their pension membership and projections for pension for those nearest retirement.</p> <p>In future it was intended that there may be a self-service facility available to members to change their personal details and to source an estimate but this is</p>	<p>The Addendum to the SLA to be on the agenda for the next meeting.</p>

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	<p>not imminent for the Fire Schemes.</p> <p>A resource from payroll is now located in HR with James who can provide oversight of their work and James can prioritise work as necessary. James explained the role of payroll, his role as Pension Manager and that of the Essex Pension Fund and pensioner payroll.</p> <p>In the future, it would be useful to do a customer survey regarding pension administration on an employee's retirement. This would be useful to do once the pay and pension project has been able to achieve the project outcomes.</p>	
6	<p>Pay and Pension Project</p> <p>The project has a lead, Sue Burgess, who reports to Glenn and Sue attended the meeting to provide an update of the project and in particular the end of year reporting which will enable the Authority to meet the statutory deadlines with regard to provision of information to the Essex Pension Fund and the provision of benefit statements. This year the Authority has been able to produce one comprehensive report rather than produce information on several spreadsheets. This is a significant achievement with much hard work undertaken by James, Sue, Sarah Webster and Sangeeta in IT.</p> <p>The report can be used as a control and check against pensionable pay.</p> <p>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. In April the payroll team will move to be co-located with HR Support to enable both teams to work more closely together and to ensure efficiency of process administration.</p> <p>Lindsey Stafford-Scott is currently the project sponsor but an alternative sponsor will be identified as Lindsey</p>	

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	is leaving the Service.	
7	<p>FPS2015 – Transitional protection legal challenge</p> <p>James provided an 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 6 years. The claim is therefore on the grounds of 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>The Local Government Association is co-ordinating a response and test cases have been identified with a case management hearing held in January and a preliminary hearing in May and the main hearing to be heard in January 2017.</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>It was agreed that this item would not be standing item on the agenda unless there was additional information to share.</p>	
8	<p>Guaranteed Minimum Pension</p> <p>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. This will be a significant amount work which will be undertaken by the Essex Pension Fund on a costed basis on behalf of the Service.</p> <p>The scale of any disparity between records is not known as yet.</p> <p>As a result of this exercise, potentially any overpayments may be waived and any underpayments rectified.</p>	

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9	<p>Annual Benefit Statements</p> <p>James updated the meeting on the activity to produce a standard template and accompanying notes on a national basis. The statutory deadline for producing statements is the beginning of October.</p> <p>The item on the pay and pension project refers to activity being undertaken to meet the deadlines for reporting.</p>	
10	<p>Regional Pension Group meeting</p> <p>Jane confirmed she had stood down as Chair of the group and James is now the Chair.</p> <p>There had been a discussion at the regional meeting regarding the use of pension discretions and the approach to organisational change which has been taken by Essex.</p> <p>The Scheme Advisory Board has not met yet and we do not know as yet who the Chair will be although nominations for employee and employer Members have been made.</p> <p>Following the Pension Ombudsman determination re Protected Pension Age, there is now a requirement on employers to provide information on tax implications on employment and leaving employment.</p> <p>The retained modified scheme is towards the end of the exercise now but this had been far more complex and time consuming on employers and pension administrators than first thought. The Service has relied on the Essex Pension Fund to undertake the administration which has been very time consuming and resource heavy for the team.</p> <p>Following the GAD vs Milne case, additional pension has been put into payment for affected pensioners and payments will be made to the estates of deceased pensioners shortly.</p>	
11	<p>Any other business</p> <p>A last minute change in GAD factors for 1992 Scheme</p>	

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	<p>members was announced on the 18th March which were effective with immediate effect. Essex Pension Fund will be amending pension benefit figures for all imminent retirees affected.</p> <p>The constitution of the Board was discussed with the pending changes to Pension Board members. An options paper will be prepared for SMB. There is an option to amend the constitution or to hold vacancies and keep the status quo for the time being provided that there were 3 Members on the employer and employee side with a review in a year's time to determine if 3 Members on each side is more manageable, taking into account the pending Management Review.</p> <p>Adam Eckley as Scheme Manager will be asked to nominate another Chair for the Board.</p>	
13	<p>The meeting closed at 12.00pm</p> <p>Date of next meeting</p>	<p>The next meeting will be held in October.</p>