



Firefighter Pension Schemes Local Pension Board Minutes

Date of meeting	Thursday 4th March 2021
Time of meeting	9.30am
Location of meeting	Virtual meeting held on Microsoft Teams

Attendees:

Employer representatives:

Dave Bill, Assistant Chief Fire Officer, Director of Innovation, Risk and Future Development (Chair)

Colette Black, Assistant Chief Executive Officer – People, Culture and Values

Moira Bruin, Assistant Chief Fire Officer, Director of Operations

Scheme Member representatives:

Alistair Castle, FRSA

Andy Knowles, FBU

Paul Moth, Retired member representative

Gavin Tripp, FOA

Invited participants:

James Durrant, Pensions Manager

David Golding, Technical Analyst, Essex Pension Fund

Michael Jerrison, Pensions Officer

Apologies from:

Roger Hirst, Police, Fire and Crime Commissioner and Scheme Advisory Board Employer Representative

Austin Page, Finance and Compliance Manager

Janet Perry, Strategic Head of Performance and Resources, Police, Fire and Crime Commissioner for Essex

	Agenda item	Action
1	<p>Welcome, introductions and apologies</p> <p>Dave welcomed all to the meeting. The meeting was declared as quorate.</p>	
2	<p>Conflict of interest declarations</p> <p>No further conflicts of interest were declared from existing Board members.</p> <p>Dave Bill declared a conflict of interest as he would be affected by immediate detriment.</p> <p>Board members that are members of, or in receipt of a pension from the Firefighter Pension Scheme have previously declared conflicts of interest.</p>	
3	<p>Minutes of last meeting</p> <p>Dave went through the minutes and actions from the last meeting on 3rd December 2020.</p> <p><u>James to check date sent with Jane</u></p> <p>This has been completed and updated at Agenda Item 10)iv).</p> <p><u>James will create a decision tree for abatement and the loss of the protected pension age.</u></p> <p>This has not been completed. To be carried forward to the next meeting.</p> <p><u>Board to complete TPR module 'Maintaining Member Contributions' before the next meeting.</u></p> <p>To be discussed at Agenda item 12.</p> <p><u>James to email the link to the module and a reminder.</u></p> <p>The link was sent on 23 February 2021.</p> <p><u>Board to receive training on Pension scams</u></p> <p>Pension scams are the training topic at Agenda item 4.</p> <p>No further comments were received and the minutes were agreed as an accurate reflection of the meeting.</p>	<p>James will create a decision tree for abatement and the loss of the protected pension age.</p>
4	<p>Training Item – Pension scams</p> <p>James provided the training item on pension scams.</p> <p>The Board watched a 60-second YouTube video produced by the Pensions Regulator warning of the dangers of pension scams. https://www.youtube.com/watch?v=NeFvYtCaykl</p>	

Agenda item	Action
<p>Scammers usually contact people out of the blue via phone, email or text, or even advertise online and design attractive offers to persuade you to transfer your pension pot to them (or to release funds from it). It is often then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units; invested in more conventional products, but within an unnecessarily complex structure which hides multiple fees and high charges; or simply stolen outright.</p> <p>Scam offers often include:</p> <ul style="list-style-type: none"> • Free pension reviews • Higher returns - guarantees they can get you better returns on your pension savings • Help to release cash from your pension, even though you're under 55 (an offer to release funds before age 55 is highly likely to be a scam). • High pressure sales tactics - the scammers may try to pressure you with 'time limited offers' or even send a courier to your door to wait while you sign documents. • Unusual investments - which tend to be unregulated and high risk, and may be difficult to sell if you need access to your money. • Complicated structures where it isn't clear where your money will end up. • Long-term pension investments – which mean it could be several years before you realise something is wrong. <p>If pension administrators have concerns about a transfer, they should collect details of the scheme member, their adviser and the receiving scheme, call the member for more information asking about how they were contacted, enquire about the nature of the investments and whether they know how fees will be charged. They should search for the scheme and individuals on their white list, the FCA Warning List and the Financial Services Register. If they still can't rule out a scam, contact HMRC to confirm the status of the receiving scheme.</p> <p>Schemes cannot prevent a member pursuing their statutory right to transfer. However, where transferring schemes show evidence that the transfer doesn't meet the legal requirements, they can decide to prevent a transfer being paid. If due diligence has been carried out and suspect a receiving scheme may be involved in a scam, they should warn the member about the transfer, record this communication, along with any decisions the member makes and report it to Action Fraud.</p> <p>In 2015 the Government changed the law to prevent transfers of pensions from the unfunded public sector pension schemes, such as the Firefighter's Pension Scheme, to schemes offering 'flexible benefits'. Therefore, transfers can only be made to defined benefit pension schemes. This has reduced the number of transfer requests being received. Any transfer requests that are received are subject to checks.</p>	

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	<p>Scheme members can keep their pensions safe by rejecting unexpected offers, checking who you're dealing with on the FCA register, not being rushed or pressured into a decision and getting impartial information or advice.</p> <p>Dave Bill asked to raise awareness of these. James to speak to the Communications team.</p>	<p>James to speak to the Comms team about raising awareness of pension scams.</p>
5	<p>Administrative arrangements during COVID-19</p> <p>David Golding updated the Board on the administrative arrangements in place during the pandemic.</p> <p>A skeleton staff continue to work from Essex Pension Fund's office to process post and carry out printing whilst ensuring social distancing. There has not been much change since the last meeting.</p>	
6	<p>“Sargeant” Transitional Protection Remedy</p> <p>James updated the Board on the developments with regard to the Sargeant Transitional Protection Remedy.</p> <p>On 4 February 2021, the Government has responded to the consultation. The “deferred choice underpin” (DCU) option will be used, meaning affected members will make this choice at retirement. New legislation will be made before 1 October 2023. All public servants who are building up benefits in the main public service pension schemes will be placed into the 2015 reformed pension schemes from 1 April 2022, regardless of when they joined.</p> <p>For retirements before 1 October 2023, legal advice has been sought as to whether the Authority (the PFCC) has the powers to offer retirees to have all of their pension payments under the legacy scheme, rather than having to accept some benefits from the reformed scheme.</p> <p>An Employment Appeal Tribunal determined that FRAs do have the power to disapply legislation that is found to be discriminatory. Discussions are taking place at a senior level of how ECFRS can give effect to immediate detriment and who to, with the guidance that exists at the moment. Further guidance from the Home Office is not expected in the short-term.</p> <p>It is likely that when payments are made, an adjustment will be needed to the benefits in payment (e.g. interest on the contributions).</p> <p>Further legal advice is due back this week and a PFCC decision sheet will follow.</p> <p>Paul Moth and Andy Knowles expressed concern about the current position, whereby a court has ruled that Fire Authorities have the power to remove discriminatory regulations, but the decision as to whether to do it has not yet been taken by ECFRS.</p> <p>Dave Bill replied that the Court has decided that a Fire Authority can decide but has not decided how to do it and there is limited guidance available.</p>	

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	<p>David Golding added that FRAs may decide to appeal the court ruling.</p> <p>David Golding raised that no software exists to do these calculations at present, so spreadsheets will have to be created to do it.</p> <p>Andy Knowles requested that communications are sent out when the decision has been made, whether or not immediate detriment payments are to be processed.</p> <p>Andy Knowles asked about the significance of the date October 2023. James replied that this is the date that Government expects legislation to be made by. If the decision is to proceed with immediate detriment payments, these will be made in the interim and reviewed in October 2023.</p> <p>Andy Knowles asked if immediate detriment would apply to those already retired. James replied that this is discussed in the paper.</p> <p>Dave said that an extraordinary Pension Board meeting may be convened upon the outcome of the immediate detriment decision.</p>	
7	<p>“Booth” case – Rent and Fuel & Light allowances</p> <p>James updated the Board on the actions following the “Booth” case – Rent and Fuel & Light allowances.</p> <p>At the September meeting of the Board it was agreed to ask the affected scheme members who transferred to the FPS 2015, whether they want to pay the arrears or wait until they hear more about remedy.</p> <p>10 former members of the FPS 1992 (now FPS 2015) were written to. 2 have begun paying the arrears through their pay. 4 wish to pause the collection until remedy is known. 4 did not respond and will be advised that it is assumed that they wish to wait until remedy, unless they respond within a certain timescale (3 weeks).</p>	
8	<p>FPS 2006 (Modified)</p> <p>a) National Insurance query</p> <p>HMRC previously confirmed receipt of 119 claims from ECFRS.</p> <p>When asked about the next steps, reply received in November from HMRC:-</p> <p>“Unfortunately, we’re not yet in a position to process the refund claims as due to retrospective nature of this, an issue has arisen that could affect the amount of refund payable to individuals who are already receiving their State Pension. We are currently taking advice on this and hope to finalise our position shortly so we can move ahead with all claims.”</p> <p>This has been chased up and response from HMRC is that they will be setting up a meeting with their policy colleagues in Department for Work & Pensions and apologise for the delay.</p>	

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	<p>All such claims have been paused in case it affects those under state pension age too.</p> <p>b) O'Brien case</p> <p>No further update on this since the last meeting.</p> <p>David Golding added he is getting a few queries about whether there is another options exercise.</p> <p>The Board resolved that there is not much that can be done with regards to communications at this time.</p>	
9	<p>Annual Benefit Statement Options</p> <p>At the December meeting, the Board resolved to continue with option 4 but to investigate further whether the information can be held within Civica as well.</p> <p>James has checked with ECFRS' People Systems Support Officer and PDFs can be uploaded to a person's Civica Self-service.</p> <p>Alistair asked about the process for this. James replied that if a person elected for an electronic annual benefit statement, this would be uploaded to their self-service at the same time it would normally be sent in the post. David Golding confirmed it is possible to tick a box on the person's record to stop an annual benefit statement being printed.</p> <p>Gavin stated that he believed most people would still want the paper version.</p> <p>The Board resolved that a covering letter will be included with the statements advising the scheme members that they can elect for an electronic statement instead.</p> <p>Gavin raised that the Pension Board is not visible. James will discuss this with the Comms team when speaks to them about pension scams.</p>	James to speak to Comms re: making the Board more visible.
10	<p>Work-plan Activities</p> <p>James took the Board through their work-plan activities for March.</p> <p>i) TPR Public Service Governance and Administration Survey – Results discussed (carried forward)</p> <p>The results of the 2019 Governance and Administration survey were published by The Pensions Regulator (TPR) in November and the performance of the Firefighters' Schemes is commented on throughout.</p> <p>The full analysis of ECFRS' position against the responses is contained in Appendix 1 of these minutes.</p> <p>The actions following the survey are as follows:-</p>	

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<ul style="list-style-type: none"> • Develop an Administration Strategy. • Establish the working definition of a complaint and a way of recording these. • Develop a Succession Plan – how to recruit board members when they leave. • Administration as a standing item on the agenda. <p>ii) End of year Pension returns – submission / deadline dates</p> <p>The return will require data from Civica from 1 April 2020 to 31 March 2021. The deadline for submitting the return is 30 April 2021, if data is submitted after this date, late submission charges are applicable.</p> <p>Any members that have transitioned into the 2015 scheme during the year, require 2 lines to be completed on the spreadsheet; 1 for information in the old scheme and 1 for information in the 2015 scheme. 1193 lines of data were sent for 2019-20's return.</p> <p>This data is used to produce the Annual Benefit Statements.</p> <p>iii) SLA / Shared Service Agreement</p> <p>The contract for 2021/22 with Essex County Council is in the process of being reviewed, then will arrange for signatures before being filed with Procurement.</p> <p>The targets for Essex Pension Fund are to:-</p> <ul style="list-style-type: none"> • Provide Event Report data to the Authority no later than 31 December 2021. • Calculate any Scheme Sanction Charge liability on behalf of the Authority (based on post April 2006 benefits only) and will forward the relevant details, in the form of a spreadsheet, to a nominated recipient at the Authority by 31 May 2021. • Provide a standard annual benefit statement to active and deferred scheme members of the FPS, NFPS & 2015 scheme in line with statutory requirements. <p>Targets for ECFRS are to:-</p> <ul style="list-style-type: none"> • Provide correct end of year returns no later than 30 April 2021. • Ensure all necessary data relating to Events Reports is submitted to HMRC no later than 31 January 2022. <p>iv) Internal Dispute Resolution Procedure log</p> <p>James updated the board on the current complaints going through IDRP.</p>	

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	<p>Following Andy’s point about the response date for IDPR ref 2020-2 was later than 15 November 2020, James checked with Jane Gardner. Jane replied that she had ICT problems around that time and the actual date was 30 November 2020. This was amended on the IDR P log.</p> <p>IDRP ref 2020-3 about pension liberation was heard by Karl Edwards, Director of Corporate Services at stage 1 of the IDR P. Karl issued his reply on 4 January 2021, the two month deadline date was 11 January 2021.</p> <p>A previous IDR P regarding the non-award of an injury pension, ref IDR P 2019-1 has been received in the offices of the Pensions Ombudsman (TPO), stage 3 of the procedure. TPO notified ECFRS on 7 January 2021. James, Neil Cross and Glenn McGuinness have put together a response to the issues raised in the complaint and are awaiting advice from TPO about how to securely send the information.</p> <p>Following the previous Board meeting, the Pension Regulator’s mandatory scheme return was sent by the 15 December 2020.</p> <p>The number of scheme members reported as at 31 March 2020, with the 2019 figures in brackets are as follows:</p> <table border="1" data-bbox="193 981 1211 1332"> <thead> <tr> <th>Scheme</th> <th>Active</th> <th>Deferred</th> <th>Pensioners</th> </tr> </thead> <tbody> <tr> <td>FPS 1992</td> <td>100 (143)</td> <td>94 (93)</td> <td>1213 (1203)</td> </tr> <tr> <td>FPS 2006</td> <td>42 (49)</td> <td>164 (169)</td> <td>86 (80)</td> </tr> <tr> <td>FPS 2015</td> <td>905 (802)</td> <td>148 (126)</td> <td>16 (10)</td> </tr> </tbody> </table> <p>At the next meeting of the Board, Thursday 3rd June 2021, the workplan items are:-</p> <ul style="list-style-type: none"> • End of year Pension returns – feedback/performance against target date • Pension Board Annual Report to Service Leadership Team • National Fraud Initiative 	Scheme	Active	Deferred	Pensioners	FPS 1992	100 (143)	94 (93)	1213 (1203)	FPS 2006	42 (49)	164 (169)	86 (80)	FPS 2015	905 (802)	148 (126)	16 (10)	
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11	<p>Review of Risk Register</p> <p>James updated the Board on the pension risks and controls on the pensions risk register.</p> <p>The risk register status has remained unchanged as follows:-</p>																	

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	<p>Risk P0001 - Loss, disruption or damage to records or systems – Significant - Rare</p> <p>Risk P0002 - Incomplete or inaccurate record keeping – Minor – Likely</p> <p>Risk P0003 – Administration Failure / Maladministration – Significant - Likely</p> <p>Risk P0004 – Increased Costs to Essex Fire - Minor – Likely</p> <p>Risk P0005 - Regulatory and Compliance failure Minor – Unlikely</p> <p>P0005 was recommended to be increased due to the immediate detriment position.</p> <p>A risk review with ECFRS’s Risk Lead Officer will take place in April. The key points will be brought to the Pension Board.</p>	
12	<p>Update on training/training plan</p> <p><u>TPR Module</u></p> <p>James suggested that the Board members complete the new TPR training module ‘<i>Pension Scams</i> ahead of the next meeting, to consolidate their learning from this meeting.</p> <p>The Board agreed.</p> <p>James will email the link to the training module.</p> <p><u>Next Training Item</u></p> <p>The Board resolved that the next training item should be on immediate detriment or the O’Brien case if further information has been received.</p>	
13	<p>Any other business</p> <p>Andy asked whether Jo Turton’s recent response regarding qualifying injuries and additional activities during COVID matches with James’ understanding:</p> <ol style="list-style-type: none"> 1. Will the Service treat an injury resulting from an activity sustained during any of the additional activities in the same manner as an injury sustained during an 'authorised duty'? 2. Will ECFRS treat any non-COVID injury/illness, resulting from an activity sustained during any of the additional activities in the same manner as an injury/illness resulting from a Firefighter undertaking their 'regular duties', as per the Firefighters compensation scheme and Independent qualified medical practitioner (IQMP) guidance? 3. Will ECFRS treat any COVID injury/illness, resulting from an activity sustained during any of the additional activities in the same manner as an injury/illness resulting from a Firefighter undertaking their 'regular duties', as per the Firefighters compensation scheme and Independent qualified medical practitioner (IQMP) guidance? 	

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	<p>James confirmed that his understanding is that the answers to the above are 'Yes'. Dave Bill suggested Andy submits these questions via email so they can be considered.</p> <p>Andy asked about whether there is a position on the Sargeant remedy for those who opted out of the pension scheme. James replied this is discussion in the Government's response to the consultation but there is no definitive answer.</p> <p>It mentions that it will be up to the scheme to decide but it does not say whether 'the scheme' refers to each public sector pension scheme and therefore decided by the sponsoring Government department (for Fire, the Home Office) or by each Scheme Advisory Board, or whether each individual Fire and Rescue Authority will decide their own policy. Dave Bill said he would discuss this with SLT and whether individuals should register the reasons why they opted out of the scheme.</p> <p>Andy requested information for the discretion available in the Local Government Pension Scheme for the employer to waive any actuarial reduction for early retirement. James will send the information to Andy.</p> <p>Andy asked if the IDRPs process could be reviewed, for example could there be an option to have a face-to-face meeting. Dave suggested this should be discussed as an Agenda item at the next Pension Board meeting.</p> <p>Andy asked who is Dave's replacement as Chair of the Pension Board. Dave will raise this at a future Service Leadership Team meeting.</p>	<p>Andy and James to discuss COVID and qualifying injuries.</p> <p>Dave Bill to discuss the reasons for opt outs with SLT</p> <p>James to send LGPS discretions to Andy.</p> <p>IDRP to be reviewed at the next Board meeting.</p>
14	<p>Date of next meeting</p> <p>The next meeting is on Thursday 3rd June 2021, at 9.30am.</p> <p>Other future meetings are as follows:-</p> <ul style="list-style-type: none"> • Thursday 2nd September 2021, at 9.30am. • Thursday 9th December 2021, 9.30am 	