

Scheme Advisory Board

ACTIONS AND AGREEMENTS

7th SEPTEMBER 2016

LOCAL GOVERNMENT HOUSE, SMITH SQUARE, LONDON

PRESENT

Malcolm Eastwood	Chair
Cllr Thomas Wright	Scheme Employer Representative (LGA)
Cllr John Fuller	Scheme Employer Representative (LGA)
Cllr Darrell Pulk	Scheme Employer Representative (LGA)
Cllr John Bell	Scheme Employer Representative (LGA)
Sean Starbuck	Scheme Member Representative (FBU)
Dave Limer	Scheme Member Representative (FBU)
Francis Bishop	Scheme Member Representative (FBU)
Samantha Rye	Scheme Member Representative (FBU)
Glyn Morgan	Scheme Member Representative (FOA)
Des Prichard	Scheme Member Representative (APFO)
Tristan Ashby	Scheme Member Representative (RFU)
Lucy Stone	TPR, Presenter
Penny Wright	GM Fire, Presenter
Helen Scargill	West Yorkshire Pension Fund, Technical Group Chair, Observer
Jane Marshall	Weightmans LLP, Observer
Ivan Walker	Observer
Clair Alcock	LGA – Acting Board Secretary
Marc Sherratt	Home Office Observer

1. Apologies

Apologies were received from Cllr Roger Price, Cllr Philip Howson and Cllr Rebecca Knox.

2. New appointments to the board

Cllr Roger Price, Hampshire Fire will replace Cllr Hilton
Cllr John Bell, Greater Manchester Fire will replace Cllr Heaster

3. Conflicts of Interest

There were no conflicts of interest declared.

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4. Notes from the last meeting

- Minutes and action summary circulated on 29th June, no comments received
- Terms of reference circulated in email of 29th June – no comments received
- Action on Risk – on agenda for meeting
- Budget submitted as circulated to board on 29th June 2016

5. Update on actions summary

- Appointment of legal and actuarial advisers – discussed at first meeting, merits of appointing a named adviser versus specific to meetings needs was discussed. The board were happy to invite advisers as and when appropriate
- Board policies – admin task deferred until appointment of SAB secretariat
- Survey to Local Pension Boards to record updates of their boards – To progress
- To note past service costs as potential risk to cost ceiling – Noted

6. Chair's Update

Budget

Malcolm informed the group the minister had approved the submitted budget. LGA would now commence work needed to levy the Fire authorities and collect the monies.

Events

Malcolm informed the group of the events he had attended in capacity as chair of the Scheme Advisory Board

- Communications group
- Technical group
- South Yorkshire Pension Board Training
- CLASS Group AGM
- KPMG Pensions dinner
- Pensionable pay workshop
- Introductory meeting with TPR

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Sub Committees

Malcolm informed the group that he wished to form strategic sub committees of the SAB to look at three key areas

- Cost effectiveness
- Improve scheme administration
- Ensuring effectiveness of local pension boards

to support and underline the boards work plan noted as

Support local pension boards
Advise local pension boards
Strategically lead Fire Pension Scheme communications
Improve scheme administration
Ensure cost effectiveness of scheme administration
Advise on how to reduce of costs of scheme administration

The board supported the proposal, but had some questions on the administration of the sub-committees, with regards to membership of the committee, how it would be resourced and supported, frequency and expected outcomes of the groups.

Clair proposed that with the boards support, volunteers would be sought for the sub-committees from the FRAs and practitioners. The sub-committees would be supported by the new post, and further details would be forthcoming at the next meeting.

Chair's general observations

Malcolm reflected that whilst attending the wide range of events, he had been very impressed with the level of professionalism across the board to Firefighter pensions.

7. Fire Conference & workshops 11th October

Clair explained that the LGA Fire Pension conference will include three topical workshops to appeal across the different interest groups attending, i.e. Fire Authority Officers (HR / Finance etc), Pension Boards and Administrators.

Clair requested that each workshop should have one employee and one employer representative of the Scheme Advisory Board being involved to lead discussion, and feedback to the SAB if there are issues that the SAB can get involved with to facilitate consistency of approach etc.

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- Year-end Review facilitated by Vicky Jenks (Midlands Group Regional Chair) (i.e. annual benefit statements and valuation)

what went well, what didn't go so well, the communications side of things etc, how the communications group worked to provide the ABS, and then opening it up to get feedback from others, on what the successes and challenges were, and what would people do differently next year, i.e. timely and accurate returns from the Fire authorities, software being delivered earlier.

- Local Pension Board responsibilities, facilitated by Dan Kanaris, AON
- Abatement and Protected Pension Age facilitated by Eversheds
<http://www.eversheds.com/global/en/what/articles/index.page?ArticleID=en/Pensions/Protected-pension-ages>

Clair introduced the draft agenda for the Fire conference for the board to note.

8. TPR Presentation

Lucy Stone from TPR attended the meeting to present the results from the admin and governance survey run by TPR last September.

The report and summary can be found on the links below

Report - <http://www.thepensionsregulator.gov.uk/docs/public-service-research-2015.pdf>

Summary - <http://www.thepensionsregulator.gov.uk/docs/public-service-research-summary-2015.pdf>

Unfortunately 'Fire' did not do to well in this report

In particular, the survey suggests that fire and rescue schemes have not made as much progress in taking steps to meet the new requirements as other schemes, whether in setting up processes or taking specific action. Over the next year, we will engage with these schemes' managers, pension board members, and other stakeholders to identify barriers to progress and support them in meeting their duties.

It is recognised that there has been significant improvement for Fire since the fieldwork for this report was done, but it will be important to ensure 'Fire's' results are significantly improved in the next survey which will be launched in the Autumn.

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Useful TPR web links

- TPR website - <http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>
- TPR news by email service subscription
<https://forms.thepensionsregulator.gov.uk/news-by-email/subscribe>
- Trustee toolkit -
<https://education.thepensionsregulator.gov.uk/login/index.php>

9. Local Pension Board Risk Paper

Clair presented a paper that looked at the duties of the scheme manager and Local Pensions Board, and requires scheme managers and local pension boards to comply with The Pension Regulator code of practice.

The paper looked at the code of practice requirements, and provided a summary of areas where the board may wish to request information from boards to confirm progress was being made or look to provide central solutions.

In particular the key area identified where central work undertaken by the board would provide the most value to Local Pension Boards and scheme managers was around managing risk and internal controls, in particular identifying the key risk areas relating to managing and administrating the Firefighters Pension Scheme.

The paper looked at a range of options and asked the board to consider whether they wished to approach the market for shareable solutions.

The board agreed that they should inform local pension boards of their responsibilities and let them know of external parties who could provide solutions.

10. Update from Firefighters Pension Technical Group

Penny Wright and Helen Scargill from the technical group attended to give the board an overview of the groups' achievements'. Penny founded the group in 2013 in a response to a series of challenging changes with little central guidance from DCLG (now Home Office). Helen Scargill is chair of the group.

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The presentation was well received by the board members.

A member of the board had to leave early, it was formally raised that members of the board should commit to attending and staying for the full duration.

11. Pensionable Pay workshop

The board discussed their options on providing guidance to Fire Authorities on pensionable pay; i.e. to commission guidance, get a legal opinion on behalf of Fire Authorities, or lobby Home Office to change the regulations.

Jane Marshall of Weightmans LLPS and Ivan Walker of Thompsons were present at the meeting.

The scheme advisory board agreed to;

- Survey Fire Authorities on application of pensionable pay, with a view to providing further guidance.
- Draft an advice note to Local Pension Boards to request that they satisfy themselves that a review of pensionable pay (in light of the Norman V Cheshire Case) has been / is being carried out and implemented.

12. Future meeting dates and venues

Local Government House to be refurbished from October 2016

Scheme Advisory Board Meetings

30th November 2016 – Venue TBA (London)

6th March 2017 – Hilton, Gateshead (11.30am to 3pm)

14th June 2017 – London Fire, Union Street

12th September 2017 – Greater Manchester Fire, Training Centre

12th December 2017, Hampshire County Council, Winchester

13. Any other business

A member of the board raised the issue with regards to pressing Home Office for amendments to the scheme to allow Fire Authorities to make redundancy enhancements. It was agreed that this was not a scheme advisory board issue.