

# Scheme Advisory Board

## **ACTIONS AND AGREEMENTS**

**30 NOVEMBER 2016**

**BARNETT WADDINGHAM, CHEAPSIDE, LONDON**

### **PRESENT**

Malcolm Eastwood	Chair
Cllr John Fuller	Scheme Employer Representative (LGA)
Cllr Darrell Pulk	Scheme Employer Representative (LGA)
Cllr John Bell	Scheme Employer Representative (LGA)
Cllr Roger Price	Scheme Employer Representative (LGA)
Sean Starbuck	Scheme Member Representative (FBU)
Dave Limer	Scheme Member Representative (FBU)
Francis Bishop	Scheme Member Representative (FBU)
Glyn Morgan	Scheme Member Representative (FOA)
Tristan Ashby	Scheme Member Representative (RFU)
Dominic Brown	Substitute Scheme Member Representative (APFO)
Claire McGow	Scottish Public Pensions Agency (SPPA) on behalf of the Scottish Firefighters Pension Scheme Advisory Board
Helen Scargill	West Yorkshire Pension Fund, Technical Group Chair, Observer
Annemarie Allen	Barnett Waddingham, Observer
Clair Alcock	LGA – Acting Board Secretary
Anthony Mooney	Home Office Observer

### **1. Apologies**

Apologies were received from Cllr Philip Howson, Cllr Thomas Wright, Cllr Rebecca Knox, Sam Rye and Des Prichard.

### **2. New appointments to the board**

The minister has formally appointed Cllr Roger Price and Cllr John Bell to the board

Cllr Howson has advised that due to his other commitments, he is unable to continue as a member of the board. The independent group at LGA have been asked to find a replacement.

Cllr Pulk requested that attendance at the meeting was recorded in an attendance matrix

**Action: To record attendance at meetings and events.**

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## **3. Conflicts of Interest**

There were no conflicts of interest declared.

## **4. Chair's Update**

### **Engagement with boards**

- Issued Chairman's letter
- Attended London Fire Local Pension Board
- Attended Lincoln Fire Local Pension Board

### **Engagement with TPR**

- Local pension board engagement – TPR survey rates at 68% at date of meeting
- TPR Public Sector meeting
- Invited to Public Sector Dashboard session

### **Events attended since last meeting**

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

- Dorset and Wiltshire Board Training
- Hampshire Fire Local Pension Board Training
- LGA Fire Conference Evening networking event
- LGA Fire Pensions Conference
- Public Sector Pensions Dinner
- KPMG tax awareness training session
- KPMG meeting

### **Meeting with the Police and Fire minister**

Malcolm updated the board that he would be meeting the Fire minister on 19<sup>th</sup> December 2016

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## 5. Update on budget and provision of secretariat

The board noted the approach in Paper 1 and agreed the proposals to defray the levy at the following rates

2016/2017 year	£2.07 per active firefighter
2017/2018 year	£6.12 per active firefighter

The Board agreed they would form a budget committee to allow for quick decisions to spend from the budget.

The Board agreed the budget committee members would be Cllr John Bell (Employer representative), Glyn Morgan (employee representative) and Malcolm Eastwood (Chairman).

**ACTION: Secretariat to action the collection of the levy.**

## 6. LGA Fire Pensions Conference feedback

The Board discussed the LGA Fire pensions conference and agreed that it was a useful day. The Board each reviewed the workshop they had attended

- Year-end Review

The Board noted that in order to meet the deadlines, some administrators had had to resort to manually checking statements.

The Board considered the proposal on moving to monthly reconciliations within three years in order to ensure good data and on time.

The Board considered the role of software in ensuring the scheme managers met the deadlines.

- Local Pension Board responsibilities

The board noted that Local Pensions Boards are keen to do a good job, however there was a clear demand for direction from the Scheme Advisory Board.

The board considered that they should request an annual report from Local Pension Boards

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- Abatement and Protected Pension Age facilitated by Eversheds

It was noted that SPPA had recently issued a bulletin on Protected pension age and the Board wished to issue the same

**ACTION: Issue bulletin on protected pension age**

## 7. SAB Branding

The Board noted and agreed the recommendations in paper 2 to brand the boards communications.

## 8. Board membership – Advisers and Observers

The Board considered Paper 3, and agreed that declarations of interest should be sought for the role of

Legal adviser  
Practitioner adviser  
Actuarial adviser

The Board agreed that Sean Starbuck (employee representative) and Cllr John Fuller (employer representative) along with the Chairman Malcolm Eastwood would agree the selection of nominees.

**ACTION: Secretariat to ballot for declarations of interest.**

## 9. Local Pension Board Guidance

The Board with the assistance of the paper titled 'Firefighters Pension Scheme – Assessment of Code of Practice' as tabled at the meeting on 7<sup>th</sup> September discussed the code of practice 14 requirement to have internal controls and in particular identifying the key risk areas relating to managing and administering the Firefighters Pension Scheme.

The Board discussed key risks to the scheme

- Scheme manager delegation
- Internal controls
- Record keeping

The Board agreed further work needed to be done to formulate a risk strategy for the board, and would seek external advice.

**ACTION: Secretariat to seek proposals from appropriate parties.**

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## 10. Sub-Committees

The Board considered the proposal for three sub-committees, and agreed that each sub-committee would be staffed by at least one representative from each of the following groups. It was noted that there had been a number of volunteers come forward after the requests at the Fire pensions conference.

Scheme Advisory Board employer representative  
Scheme Advisory Board employee representative  
Pension Administration Manager  
FRA – Senior Finance role  
FRA – Senior HR role  
Local Pension Board representative

The following board members volunteered to lead the boards as below

### **Cost effectiveness**

Cllr John Fuller (Employer representative)  
Glyn Morgan (Employee representative)

### **Local pension board effectiveness**

Sean Starbuck (Employee representative)  
Cllr Pulk (Employer representative)  
Cllr Wright (Employer representative)  
Tristan Ashby (Employee representative)

### **Scheme Administration**

Cllr John Bell (Employer representative)  
Des Prichard (Employee representative)

**ACTION: Each board lead to work with secretariat and chairman to progress sub-committees**

## 11. 2016 Tax Changes

The Board had attended a tax training session kindly provided by KPMG in October 2016.

As a result of the training the board were keen that Local Pension Boards and Scheme Managers should have access to training sessions to understand the key principles the 2016 tax changes introduced, particularly with regards to the responsibility being on the individual to recognise if there are subject to tapering.

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The board agreed that it would be appropriate to organise training sessions for the Local Pension Boards, grouped in line with the regional groups and proposals should be sought from consultants in order to provide the tax training.

**ACTION: Secretariat to seek proposals and costs from interested parties in providing tax training sessions.**

## 12. Issues arising from the Firefighters Pension Technical Group

The Board were provided with a copy of the action summary from the Firefighters Pension Technical group and noted this was a useful summary of the technical issues dealt with by the technical group.

## 13. Work plan priorities

The Board reflected that there was a lot to do, and priorities would be on understanding the processes involved with cost management and providing support to Local Pension Boards.

## 14. Notes from the last meeting

- Minutes and action summary circulated
- Comment received on ensuring the concerns on past service costs being a potential risk to breaching the cost cap, were kept on the agenda, and included in the minutes
- No other comments received

## 15. Update on actions summary

- Board policies – admin task deferred until appointment of SAB secretariat
- Past service costs - Action to ensure past service costs are kept on agenda to note the potential risk to breaching the cost cap
- Survey to Local Pension Boards to record updates of their boards – To progress
- Board to ensure Local Pension Boards are aware of responsibilities under TPR Code of Practice 14 and to provide central guidance to Local Pension Boards – To be progressed via Effectiveness of Local Pension Board sub-committees
- Survey of application of pensionable pay – Deferred until legal adviser appointed to the board
- Guidance note to Local Pension Boards on review of pensionable pay in light of Norman v Cheshire – Deferred until legal adviser appointed to the board

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## 16. Future meeting dates and venues

6<sup>th</sup> March 2017 – Hilton, Gateshead (11.30am to 3pm)

14<sup>th</sup> June 2017 – London Fire, Union Street

12<sup>th</sup> September 2017 – Greater Manchester Fire, Training Centre

12<sup>th</sup> December 2017, Hampshire County Council, Winchester

## 17. Any other business

The board discussed how to obtain further information about the cost cap, and agreed that the Chairman and Marc Sherratt from the Home Office would discuss this further.

**ACTION: Home Office to provide further information to the Scheme Advisory Board on the valuation progress and the cost mechanisms.**