

Minutes of a meeting of the CFA - Local Pensions Board held at Leicestershire Fire and Rescue Service Headquarters, Birstall on Thursday, 27 September 2018.

PRESENT

Mr. P. Bedford CC (in the Chair)

Cllr. A. Thalukdar
Alison Greenhill
Elena Johnston

Adam Stretton
Adam Taylor
Rick Taylor

11. Apologies.

Apologies were received from Ian Howe, Pensions Manager.

12. Minutes of the Local Pension Board meeting held on 20 June 2018.

The minutes of the Local Pension Board (LPB) meeting held on 20 June 2018 were confirmed as a correct record.

13. Conflicts of Interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No such declarations were made.

14. Key Performance Indicators; KPI overview, Estimate breakdown, Metric data.

The Board received a verbal update from Elena Johnston, on behalf of the Scheme Administrator.

Regarding the Key Performance Indicators (KPIs), members were informed that all KPIs for quarter 2 (from 1 April 2018 – 30 June 2018) had been met. The report also showed the positive feedback from users on the level of service received.

The number of requests for pensions estimates had reduced compared to the same period last year. The level of requests for Leicestershire Fire and Rescue Service Pension Scheme was lower than for Nottinghamshire and Derbyshire Schemes.

In response to questions, members were informed that a similar picture was expected for the period to September 2018, with no significant issues reported so far.

RESOLVED:

That the update provided regarding the Key Performance Indicators for Leicestershire Fire and Rescue Service Pension Scheme be noted.

15. Scheme Administrators Update.

The Board received a verbal update from Elena Johnston, on behalf of the Scheme Administrator, regarding the administration of the Pension Scheme for Leicestershire Fire and Rescue Service (LFRS).

Arising from discussion, the following points were raised:

- i. The deadline of 31 August to provide the Annual Benefit Statements had been met;
- ii. Regarding valuation, the Fire Fighter scheme had breached the cost cap below 2% – and in such cases, the Home Office was required to take action to resolve, which may involve changing the accrual rates. The SCAPE discount rate would be reduced by the Treasury from April 2019 and may lead to a significant increase in employer contributions. More information was awaited from the Scheme Advisory Board before the LPB make representations to the CFA. Members were informed that officers were lobbying Ministers about funding, stating that it needed to be fair and equitable, and to find out more about the process that would be followed. Time frames were unknown;
- iii. Regarding annual allowances (enhancements to service), members were informed that there were increased numbers of staff falling into the tax burden, with more people on mid-range salaries being affected. It was agreed to include the issue in the Risk Register, although there was little that could be done to mitigate the impact. It was highlighted that this issue was seen as a significant barrier to promotion for middle managers as they would become worse off financially, following promotion, due to the tax burden. It was recognised that this could also impact on the recruitment of a new Chief Fire and Rescue Officer in the future. Significantly more people had been affected this year;
- iv. A Pensions Roadshow was planned, with a regional presentation, in order to improve awareness and understanding of all employees and allow them the opportunity to be informed of current issues related to pensions. The next roadshow will be hosted by LFRS and will be held and will be held before the end of December 2018.

RESOLVED:

That the

- a) 'annual allowances/tax issue' be included on the Risk Register;
- b) Update on the administration of the Pension Scheme for Leicestershire Fire and Rescue Service be noted.

16. Scheme Manager's Update.

The Board received a verbal update from Alison Greenhill, Scheme Manager, regarding the Leicestershire Fire and Rescue Service Fire Fighters' Pension Scheme. Members were informed that there were no significant issues to report; previous issues raised had been resolved.

RESOLVED:

That the update from the Scheme Manager be noted.

17. LFRS Fire Fighters' Pension Scheme Risk Register.

The Board received a report from the Scheme Manager, which presented the risk register for the Leicestershire Fire and Rescue Service Pension Scheme. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

Members were informed of recent changes to the risk register:

- 5 - Follow-up work by Leicestershire County Council Internal Audit Team had provided 'substantial assurance' with no high importance recommendations. As such, the risk score had been reduced;
- 9 - The Fire Fighter Pensions Scheme roadshows continue to be organised to allow the opportunity for fire fighters to be informed of current issues relating to pensions and for them to have the opportunity to raise any concerns or issues.

RESOLVED:

That

- a) the update on the risk register for the Leicestershire Fire and Rescue Service Pension Scheme be noted; and
- b) the risk register for the Leicestershire Fire and Rescue Service Pension Scheme be approved.

18. Fire Fighters' Pension Scheme Breaches Register.

The Board received a report from the Pension Scheme Manager, concerning the Fire Fighter's Pension Scheme Breaches Register. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

Members were informed that no breaches had taken place this quarter.

RESOLVED:

That the report on the Fire Fighter's Pension Scheme Breaches Register be noted.

19. Joint Pension Board - update.

The Board received a verbal update from the Scheme Manager regarding the proposals for a joint pension board.

Members were informed that the three Fire Authority Pension Schemes had drafted the submission, which would be submitted to the Secretary of State by the end of September for consideration. This presented the opportunity to be the first Joint Pension Board in the country.

Regarding the chairing of the meeting, the position would be rotated around the three pension boards as would the location of the meeting.

It was hoped that arrangements would be in place for the joint Pension Board to be operational from the next financial year.

RESOLVED:

That the progress made with the formation of a joint Pensions Board be noted.

20. Date of next meeting.

The next meeting of the Local Pension Board will be held on Wednesday 12 December 2018 at Leicestershire County Council, County Hall, Glenfield following the meeting of the Combined Fire Authority.

21. Any other business.

Members were informed that a benchmarking exercise would be held to explore scheme management costs and the effectiveness of the scheme administration. This would be organised through the Local Government Association from October to November and would consist of a survey on their website and a series of 'listening meetings' with stakeholder groups. A draft report of the findings would be presented to the Scheme Administration Board in March 2019, and published in April 2019.

11.30 am - 12.03 pm
27 September 2018

CHAIRMAN