

Minutes of the meeting of the
PENSION BOARD held in the Fire
and Rescue Service Headquarters,
Barmston Mere on MONDAY 25
JANUARY 2016 at 10.30 am.

Present:

Councillor Perry in the Chair.

ACO Lowther, A. Robson, T. Markwell, K. Carruthers, R. King and S. Long.

In Attendance:

Dennis Napier (Sunderland City Council)

Kate Cuthbert (Sunderland City Council)

Apologies for Absence:

There were no apologies for absence.

Declarations of Interest

There were no declarations of interest.

Minutes

4. RESOLVED that the minutes of the last meeting of the Pension Board held on 7th September, 2015 be confirmed and signed as a correct record.

Items for Disclosure

No items were raised.

Urgent Business

No items were raised.

Local Pension Board (Presentation) – Governance, Training and Schemes

Simon Long delivered a presentation to the Board on Governance and Training.

In doing so, he advised the Board of the following:

- Technical and Regional Groups were comprised of: The Regional Pension Officers Group (North East), The Fire Technical Group and The Fire Communications Working Group. These were all non-statutory groups
- Higher Level Bodies included the Home Office (provision of Legislative Framework), Fire and Rescue Authority (responsible for managing or administering each scheme) and the Scheme Advisory Board (to provide advice to scheme managers and Local Pension Boards).
- The Pensions Regulator was the UK regulator of work-based pension schemes to protect the benefits of members of occupational pension schemes, to promote and to improve understanding of good administration and to maximise employer compliance with employer duties and the employment safeguards introduced by the Pensions Act 2008.
- The main aims of the Local Pension Board (LPB) was to assist the Scheme Manager in governance (ensuring effective and efficient governance and administration), secure pension regulator requirements and to oversee. Whilst recommendations could be made, the Board was reminded that this was not a decision making body.
- Areas to consider included: Discretions, IDRs (Internal Dispute Resolution Panels), Customer Services, Compliance with Legislation and Communications.
- LPB members must be conversant with scheme rules and have knowledge and understanding of the law relating to pensions. To help members of the Committee to attain the required knowledge and expertise, Simon then set out various tools that were available to assist them, both in identifying gaps in their understanding and where further information could be acquired.

The following were explained in relation to:

- LGA Training Needs Analysis
- The Pension Regulator Website (& Learning Needs Analysis)
- The Pension Service Toolkit
- The Pensions Education Portal
- Knowledgehub – LPB Forum (A public sector forum – with training available); and
- Sources for training (Statutory requirement) – Training co-ordinator to be appointed.

The Board welcomed the presentation and queried the timescales for implementation. It was suggested that further research be done in relation to each of the modules with a view of assigning tasks to members of the Board.

National Scheme Advisory Board

The Area Manager for HR & LD submitted a report to inform the Local Pension Board (LPB) of the establishment of a National Scheme Advisory Board (the Board) for the Firefighters Pension Schemes.

The Board was reminded that the membership of the Scheme Advisory Board would consist of a Chairman and no more than 14, or no less than 2, additional members. These members would be appointed by the Secretary of State, with the view to appoint equal numbers of employee and employer representatives.

The Secretary of State has agreed that the additional members would be made up of 7 employee representatives and 7 employer representatives. Nominations had been made to the Secretary of State, in order to be formally appointed.

The 7 employee representatives would be made up of;

- 4 x Fire Brigades Union,
- 1 x Fire Officers Association,
- 1 x Retained Fire Union; and
- 1 x Association of Principal Fire Officers.

The Board was advised that the National Scheme Advisory Board also played an important procedural role in relation to the Employer Cost Cap and would be required to monitor progress. If following a valuation of the Firefighter Pension scheme, the target employer cost is ever exceeded by more than 2%, the Secretary of State must follow procedure for reaching agreement with scheme managers, employers and members as to the steps required to achieve the target cost.

The procedure involves the Secretary of State consulting with the Board for such a period as the Secretary of State considers appropriate, with a view to reaching a unanimous agreement with members of the Board. However, if agreement is not endorsed by all members of the Board, the Secretary of State must adjust the rate that benefits were accrued so that the target cost can be met.

Councillor Perry queried whether there were any foreseen problems in recruiting to the Board and was advised that the advert was publicised last year however the appointment of an appropriate Chairman had been unsuccessful. It was anticipated that a further update would be available at the next meeting of the Board.

6. RESOLVED that:

- (i) The contents of the report be noted; and
- (ii) Further reports be received as appropriate.

Firefighters' Pension Schemes and Evaluation

The Area Manager for HR & LD submitted a report to inform the Local Pension Board (LPB) of the planned 2016 valuation by the Government Actuary Department (GAD) of the Firefighter Pension Schemes.

The Board was advised that GAD had been appointed as the Scheme Actuary by the Secretary of State for Communities and Local Government to carry out an actuarial valuation of the Firefighter Pension schemes as at 31 March 2016. The main requirement being to determine the rate of employer contribution payable from 1 April 2019 to 31 March 2023. In addition to this, the valuation should also consider the financial position of the Firefighters Pension schemes relative to the employer cost cap. Notification of the revised Employer rate was anticipated by late autumn.

The Finance Officer explained that the likely impact was factored into the medium term financial plan as part of the financial planning process and that this was regularly updated.

7. RESOLVED that:

- (i) The contents of the report be noted; and
- (ii) Further reports be received as appropriate.

Any Other Business

No Issues were raised.

Date and Time of Next Meeting

The Board was advised that according to legislation, the Board must meet a minimum of two times per year. As the schedule of meetings would be agreed at the Annual Meeting of the Authority in June, it was agreed that some additional dates be included with a view of the Board meeting between 4 and 6 times per year, in line with that of other Pension Boards across the country.

(Signed) J. PERRY
Chairman