

# ROYAL BERKSHIRE FIRE AUTHORITY



<b>COMMITTEE</b>	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>11 DECEMBER 2018</b>
<b>SUBJECT</b>	<b>PENSION BOARD – SIX MONTHLY REPORT</b>
<b>LEAD OFFICER</b>	<b>LINCOLN BALL – MEMBER OF PENSION BOARD</b>
<b>LEAD MEMBER</b>	<b>N/A</b>
<b>EXEMPT INFORMATION</b>	<b>NONE</b>
<b>ACTION</b>	<b>NOTE</b>

## 1. **EXECUTIVE SUMMARY**

- 1.1. To update the Audit and Governance Committee regarding the activities of the Local Pension Board (for all firefighter pension schemes) and relevant aspects of pension administration.
- 1.2. To enable the Committee to provide further direction, if required.

## 2. **RECOMMENDATION**

- 2.1 **NOTE** the contents of the report including activities undertaken by RBFRS, the Pension Administrator and the Local Pension Board, since the last report.

## 3. **REPORT**

### **Background to the Local Pension Board**

- 3.1 The Local Pension Board is set up under the auspices of The Public Service Pensions Act 2013.
- 3.2 The Board exists to assist the Fire Authority in its role as Scheme Manager for the various Firefighter pension schemes.
- 3.3 The Board consists of four members – currently two management representatives (Doug Buchanan and Lucy Greenway) and two scheme member representatives, currently from the FBU (Lincoln Ball and Steve Collins).

### **Actions taken**

- 3.4 The Board has met on 2 occasions since the last Pension Board update provided to Audit and Governance at its meeting on 28 March 2018. For transparency the action and decisions log for Pension Board meetings are published internally.
- 3.5 The Fire Authority is required to approve the appointment of the employer representatives on the Pension Board at its annual meeting in June each year. At the meeting on 28 June 2018 the Authority approved the continuation of Doug Buchanan and Lucy Greenway in the employer representative roles.
- 3.6 In June 2018, Tregear Thomas stepped down as both Chair and a scheme member representative of the Pensions Board. Steve Collins (FBU) was elected to replace Tregear on the board and Doug Buchanan was voted to take on the Chair role at the Pensions Board meeting on 20 August 2018.
- 3.7 Board members continue to attend training provided in the main through the Local Government Association (LGA). All Board members have worked through The Pension Regulator's training portal. Members of the Board also attended a tax awareness seminar on 10 January 2018, as it relates to pension schemes, arranged by the LGA Firefighters' Pension Adviser. Additionally, there has been additional in-house pensions tax awareness training made available to staff and pension board members have also attended this training in November 2018. Members of the Pensions Board have also attended the annual Pensions Conference organised by the LGA on 25 and 26 September 2018. Board members continue to undertake self-study through resources on the Pensions Regulator website and other online resources. The board has a system for recording the training and development work they have undertaken.
- 3.8 The Pensions Board regularly review the actions required of it, of the Employer and the Pensions Administrator, West Yorkshire Pension Fund (WYPF). Information is received from HR, the Local Government Association (LGA) Pensions Advisor, via bulletins and communication from the Scheme Advisory Board. Progress and achievement of deadlines are monitored accordingly. Items of key note are:
- 3.9 The provision of information to HMRC on the reconciliation of the Guaranteed Minimum Pension (GMP) data held by WYPF for all scheme members that have reached State Pension Age since 2009. A response was made in advance of the deadline, 31 October 2018, enabling HMRC to ascertain progress ahead of the deadline for contracted out scheme reconciliation by the end of the 2018.
- 3.10 The Pensions Regulator return was completed in November 2018.
- 3.11 The 2018 Scheme returns have been completed for each of the Firefighter Pension Schemes. There is now a requirement for these to include a quality rating of the member data provided. WYPF classed the data provided by RBFA as high quality, when compared to other Fire and Rescue Services whose schemes they manage.

- 3.12 Annual Benefit Statements have been issued by the required deadline of August 2018.
- 3.13 Pensions Savings Statements have been issued to those individuals potentially affected by the annual allowance threshold by the 6 October 2018 deadline.
- 3.14 Tax awareness seminars, including one to one sessions, have been delivered to members of the Firefighter Pension Schemes
- 3.15 The Pension Board review the monthly performance information provided by WYPF. The information provided includes an update on regulations and activities as they relate to these schemes. No concerns have been highlighted by the Pensions Board following these monthly reviews during 2018. Any queries relating to Key Performance Indicators are addressed in contract meetings and the Pension Board is updated accordingly.
- 3.16 The Pension Board risk register is reviewed at each meeting and issues raised accordingly with Officers. Issues are considered by the Board and in the event of a significant issue which could constitute a breach or a threat to the scheme (in line with The Pensions Regulator guidance), these are reported accordingly.
- 3.17 No breaches of material significance have been identified and reported to The Pensions Regulator in relation to the current pension administrator by the Board over the past six months.
- 3.18 The Mandatory Scheme Pays deadline for paying HMRC will be 6 February 2019 and the Pensions Board will be updated accordingly.
- 3.19 Where concerns or conflicts of interest are identified, clarification is obtained from appropriate bodies or individual prior to any recommendations being made by the Local Pension Board to the Scheme Manager.
- 3.20 The Pension Board continues to work closely with managers within the Human Resources department reviewing information relating to services provided by WYPF, internal communications on pension matters and compliance with regulations to ensure effective administration of the schemes.

#### **Other relevant information**

- 3.21 The internal firefighter pensions audit was undertaken in March 2018 and was reported to Audit and Governance in July 2018. No concerns were raised by the Pensions Board who are satisfied that the recommended actions resulting from the Audit are sufficient to address issues identified. All actions are now complete.
- 3.22 Due to the complexities of firefighter pension schemes, assurance will be sought through the audit programme and a further audit is planned (with dates to be confirmed). The results of this audit will be communicated to Audit and Governance Committee and the Pensions Board when completed.

## **4. CONTRIBUTION TO STRATEGIC COMMITMENTS**

- 4.1 Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provides good value for money.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The Fire Authority currently makes an allowance of £100 per meeting available to each Pension Board member. However, not all board members currently choose to receive this allowance.
- 5.2 The Terms of Reference provide for:
- All reasonable expenses incurred by board members to be reimbursed upon production of a valid expenses claim.
  - Adequate resources for the board to fulfil its role including the provision of legal advice and training. The board will seek approval from the HHR&LD for such expenditure.

## **6. LEGAL IMPLICATIONS**

- 6.1 The provision of the Local Pension Board is a requirement of the Public Service Pensions Act 2013.

## **7. EQUALITY AND DIVERSITY IMPLICATIONS**

- 7.1 No equality impacts were identified in relation to this report.

## **8. RISK IMPLICATIONS**

- 8.1 The Committee should note that an improved pension administration service is in place and whilst, as a result of the complexity associated with firefighter pension administration the potential for error cannot be eliminated, a number of measures are in place to reduce risk and provide ongoing assurance to the Service.
- 8.2 Although Pension Board Members continue to make use of all available training in order to increase their knowledge and understanding in relation to their role, there is currently an element of risk whilst they are working to attain this.
- 8.3 Increased workloads of individual Board Members may impact negatively on training and function.
- 8.4 Failure to comply with the requirements of The Public Service Pensions Act 2013 could result in reputational and financial loss.

## **9. CONSISTENCY WITH DUTY TO COLLABORATE**

- 9.1 Whilst there is the potential for establishing joint boards with others that share the same administration, this has not been progressed at this time due to the complexities with setting this up. Royal Berkshire and Buckinghamshire and Milton Keynes Fire and Rescue services currently share the same pension

administrators and have worked, where possible, to align scheme discretions to enable the potential for this in the future.

**10. PRINCIPAL CONSULTATION**

10.1 The Chief Fire Officer has been consulted on the contents of this report.

10.2 The Chief Finance Officer has been consulted on the contents of this report.

10.3 The Monitoring Officer has been consulted on the contents of this report.

**11. BACKGROUND PAPERS**

11.1 N/A

**12. APPENDICES**

12.1 N/A

**13. CONTACT DETAILS**

13.1 Doug Buchanan, RBFRS Pension Board Chair, 07887 830207