



Secretariat: bluelight.pensions@local.gov.uk

Update from the chair

Dear Scheme Manager/ Pension Board Chair,

I write with the following items of interest from the Firefighters' Pension (England) Scheme Advisory Board (SAB):

Update from SAB Meeting 14 June 2017

The last full meeting of the SAB was held on 14 June 2017. At that time, we agreed the minutes of the 3 March 2017 meeting and these are available to view on the Local Pension Board khub forum:

https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum/group-forum/-/message_boards/message/31336847

I was pleased to welcome Claire Hey to the post of Assistant Firefighter Pensions Adviser from 27 June 2017. Claire will provide secretariat support to the SAB and work on developing national scheme communications.

The Board received a presentation from the Government Actuary's Department (GAD) regarding the treatment of past service costs for the purposes of the 2016 valuation and a short training session on local assumptions. The Pensions Regulator (tPR) also attended to present the key findings from their survey into Governance and Administration within public service pension schemes.

The survey has highlighted some areas of concern around engagement of scheme managers with pension boards (governance), poor data review and improvement plans (record keeping), lack of internal scheme controls such as assessing and managing risks, and delayed provision of Annual Benefit Statements (member communications).

The Board will investigate how we can best assist scheme managers and local pension boards to improve their effectiveness in governance and administration, as a whole body and utilising our sub-committees detailed below.

The membership and remit of three SAB sub-committees were agreed in the following areas:

- Cost-effectiveness
- Administration and benchmarking
- Local Pension Board effectiveness

The committees have co-opted representatives of Fire Pensions from the following stakeholder groups to reflect a balanced cross section of views, who act in the interests of the FPSs as a whole and not in the interests of any organisation they may represent.

Technical Practitioner Community
Senior FRA Finance
Senior FRA HR
Employee and Employer representatives of Local Pension Boards

Cost –effectiveness sub-committee

The cost-effectiveness group has been particularly active, meeting twice since the full SAB in order to provide a response to the Home Office's consultation on the treatment of past service costs, specifically in relation to:

- GAD v Milne payments
- Modified Retained Membership
- 18-20 refund payments

The main objectives of the group are to determine how much it costs to run the scheme and to respond to Home Office consultations regarding the actuarial cost of the scheme.

Administration and benchmarking sub-committee

The admin and benchmarking committee will provide guidance to the SAB to understand value and cost of administration. They will consider how administrators can best be supported centrally by identifying best practice and drafting an administration benchmarking guide for publication. An initial meeting took place on 19 May 2017 to set these objectives, with the second meeting to be held in October.

Local Pension Board (LPB) effectiveness sub-committee

The LPB effectiveness committee will consider how local pension boards and scheme managers can be supported centrally, with an initial action of writing to boards with an introduction to the purpose of this committee and to encourage participation. The committee will look to provide reminders of good governance tools and tPR will be invited to attend the next meeting to consider how the group can progress actions necessary as a result of the governance and admin survey.

The group would be particularly interested to receive feedback from LPBs on how the SAB can best support their activities, and I would like to strongly encourage all boards to arrange refresher or full board training offered by Clair Alcock, which is funded through the SAB levy. Please email bluelight.pensions@local.gov.uk for more information.

In order to facilitate the working knowledge of the group on how Local Pension Boards are working in practice, they will be issuing their own survey of board members, early completion of this survey will be appreciated, so please look out for this survey later in the year.

One item boards might wish to consider as a quick win in order to aid retention of knowledge and understanding is extending terms of office for board members.

Tax training seminars

The team at LGA have recently contracted Barnett Waddingham to provide a series of regional tax training seminars for LPBs and scheme managers in order for them to provide information to their workforce on the consequences of the tax changes in 2016.

The tax changes to annual allowance and lifetime allowance made in 2016 increasingly put the onus on the individual to be aware of their tax status and make decisions accordingly.

Additionally, the ombudsman decision of [Cherry vs South Wales PCC](#) means that the each employer has a responsibility to ensure that their employees are aware of tax consequences.

These seminars are being scheduled to commence late October through to early January. Booking details will be sent to FRAs once venues and dates have been agreed.

General Data Protection Regulations (GDPR)

I attach a briefing note from the Home Office Crime, Policing & Fire Sponsorship Unit, which provides a high-level overview of the EU General Data Protection Regulation and the changes it will make to current data protection rules once introduced.

LPBs should familiarise themselves with the new provisions and ensure that the arrangements for administration and payment of pensions are compliant with these Regulations, which come into force in May 2018. As part of this you will want to look at the terms of any contracts with third party providers.

Home Office news

We have recently said farewell to Marc Sherratt in his role as Head of Firefighters' Pensions at the Home Office as he takes up a new position within Government. I would like to take this opportunity to thank Marc for working so positively with the Board since its inception, and wish him well in his new post.

And on that note, I am happy to welcome Jayne Baldock who will take over this role in early October, and look forward to continuing a successful and constructive relationship with Jayne.

Annual Fire Pensions Conference

Please see below the information and booking details for what is sure to be an interesting and thought-provoking two day event in the Fire Pensions calendar.

- **Day 1 - 9th October 2017 10.00am to 3.00pm - Pension Scheme Governance**

(Registration and refreshments from 9.30am)

Primarily for scheme managers and local pension boards this event, will feature speakers from TPR, LGA, Pensions Ombudsman, SAB and include practical guidance on how to meet TPR requirements for good governance

5.45pm onwards – After conference drinks [Smiths of Smithfield](#)

[Book day 1 here](#)

- **Day 2 – 10th October 2017 - 10.15am to 3.30pm - LGA Firefighters Pension Scheme AGM**

(Registration and refreshments from 9.30am)

Primarily for fire pension practitioners, scheme managers and interested parties, the AGM will feature speakers from Eversheds, LGA, SAB and include technical updates with opportunities to explore topics on pensionable pay, tax etc. in technical workshops.

[Book day 2 here](#)

Yours sincerely,

Malcolm

Malcolm Eastwood, CBE, CStJ, QFSM, FIFireE.
Chairman, English Firefighters' Pension Scheme Advisory Board