

FIREFIGHTER PENSION SCHEMES

LOCAL PENSION BOARD ANNUAL REPORT 2020/21

Annual Report

This is the Annual Report of the Essex Fire Authority Local Pension Board (the Board), covering the period from 1st April 2020 until 31st March 2021.

Roles and Functions

The Board is established as the Local Pension Board for the Essex Police Fire & Crime Commissioner Fire & Rescue Authority (“the Authority”) in accordance with section 5 of the Public Service Pension Act 2013 and the Firefighters’ Pension Scheme (Amendment) (Governance) Regulations 2015.

The remit of the Board includes assisting the Scheme Manager to:

- secure compliance with the Firefighter Pension Schemes (the schemes) regulations and any other legislation relating to governance and administration of the schemes;
- secure compliance with requirements imposed in relation to the schemes by the Pension Regulator.

The establishment of the Board was approved by the Audit, Governance & Review Committee (ECC) in July 2015. The papers detailing the establishment of the Board can be found in the Audit, Governance & Review Committee meeting papers of 15 July 2015 (Agenda item 12). The terms of reference and minutes of meetings can be found on the scheme’s website:- www.fire.essexpensionfund.co.uk

Membership of the Board

The board’s membership during 2020/21 is shown below:-

Employer representatives:

Dave Bill, Assistant Chief Fire Officer, Director of Innovation, Risk and Future Development (Chair),

Colette Black, Assistant Chief Executive Officer - People, Culture and Values,

Moira Bruin, Assistant Chief Fire Officer, Director of Operations,

Austin Page, Financial Accounting and Compliance Manager – member since October 2020

Employee representatives:

Alistair Castle (FRSA)

Andrew Knowles (FBU)

Paul Moth, retired member representative

Gavin Tripp (FOA) – member since November 2020.

Dates of Meetings

The Board met on the following dates during the 2020/21 year:

- Thursday 4th June 2020 at 9.30am
- Wednesday 2nd September 2020 at 3pm
- Thursday 3rd December 2020 at 9.30am
- Thursday 4th March 2021 at 9.30am

No meetings had to be rearranged or cancelled.

Conflicts of interest

The Public Service Pensions Act 2013 requires that a member of a pension board does not have a conflict of interest. A conflict as defined as “a financial or other interest which is likely to prejudice a person’s exercise of functions as a member of the pension board.” The Act is clear that actual membership of one of the Firefighter Pension Schemes is not in itself a conflict of interest, so would not preclude a scheme member from serving on the Board.

The Board has a policy for the management of potential conflicts in order to ensure that they do not become actual conflicts and all members of the Board are familiar with this policy. In addition conflicts of interest is a standing item on all Board agendas and any interests noted by members are recorded so that action can be taken to exclude the conflicted individual from proceedings where necessary.

Local Pension Board Member Training

The Public Service Pensions Act 2013 requires that members of local pension boards have an appropriate level of knowledge and understanding in order to carry out their role. Any individual appointed to a local pension board must be conversant with;

- The regulations of the Firefighter Pension Schemes, including historical regulations and transitional provisions, to the extent that they still affect members;
- any document recording policy about the administration of the Firefighter Pension Schemes.

Board members must also have knowledge and understanding of-

- the law relating to pensions,
- such other matters as may be prescribed in other legislation

The degree of knowledge and understanding required by local pension board members is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the Local Pension Board.

Degree of Knowledge and Understanding

Members of the local pension board are expected to be conversant with the rules and policies of the Firefighter Pension Schemes. "Being conversant with" implies a working knowledge of what is relevant to the subject under discussion.

A Board member should have an understanding of what is relevant to their role and be able to identify and challenge a failure to comply with;

- the Firefighter Pension Scheme regulations;
- other legislation relating to the governance and administration of the scheme;
- requirements imposed by the Pensions Regulator;
- any failure to meet the standards and expectations set out in any relevant code of practice issued by the Pensions Regulator.

Areas of Knowledge and Understanding

The areas in which the Board would be expected to be conversant include, but are not limited to:-

- Scheme approved policies (e.g. managing conflicts of interest, reporting breaches of the law or record keeping);
- Risk assessment and management;
- Scheme booklets and other members communications;
- The role of Local Pension Board Members and the scheme manager;
- Policies in relation to the exercise of discretions;
- Communications with scheme members and employers;
- Key policy documents on administration.

Training Strategy and Policy

The Pension Board has a Knowledge and Understanding policy, which sets out how members of the Local Pension Board will acquire the knowledge and skills necessary to carry out their functions.

The approach of the training strategy is summarised below:-

- Credits are awarded for attendance at Board meetings and formally arranged training sessions and other relevant events which increase knowledge of the Firefighter Pension Schemes;
- Board members are expected to complete the Pension Regulator's on-line toolkit designed to provide a sound understanding of the roles and responsibilities of public service pension board members;
- Assessments of member's knowledge and skills may be used to determine areas for further training. Officers will maintain a record of the credits obtained by each individual member;
- The approach to training will be flexible, in order to recognise the ever changing landscape of Firefighters Pension Schemes;

- The Authority's Pensions Manager or Pensions Administrators will deliver training in a way that complements the current activities or projects undertaken.

This year the Board have received the following training, which has taken place within formal Pension Board meetings:-

Date	Topics Covered
Thursday 4th June 2020	Hutton Report and the Public Sector Pensions Act 2013
Wednesday 2nd September 2020	Defined benefit and defined contribution schemes
Thursday 3rd December 2020	Ill-health retirements & Retirement Options
Thursday 4th March 2021	Pension scams

Board members are to complete the 7 modules of the Pensions Regulator's online Public Service toolkit. One module was assigned after each Board meeting and once passed is valid for two years.

The topics, together with those holding a valid completion (i.e. obtained within the last two years) are:-

- Conflicts of Interest – 7 out of 8 members
- Managing Risk and Internal Controls – 6 out of 8 members
- Maintaining Accurate Member Data – 5 out of 8 members
- Maintaining Member Contributions – 5 out of 8 members
- Providing Information to members and others - 5 out of 8 members
- Resolving Internal Disputes – 7 out of 8 members
- Reporting Breaches of the law - 6 out of 8 members

The completion rate is less than 100%, due in part as there are new board members have not yet had the opportunity to complete all the modules and some longer serving board members completed the modules more than two years ago and have now become invalid. A module will continue to be assigned after each Board meeting.

Key Performance Indicators

The table below shows the Board's performance against its KPIs:

#	Key Performance Indicator	Target	Achievement against Target
1	The number and frequency of Board meetings held each financial year.	4	4
2	The proportion of Board meetings held that are quorate (quorate being a minimum of 2 employer representative and 2 scheme member representatives). Target set at 100% to enable decisions/recommendations to be made.	100%	100%
3	Attendance at Board meetings by Board members over the last 12 months.	70%	95%
4	The proportion of items completed on time contained within the Board's Work Plan.	95%	95%
5	Each Board member to complete all Pension Regulator modules over a 2-year period*.	100%	82%

* Those who have served on the Board for less than 2 years have not been counted in this total.

Outcomes and recommendations

The Deputy Director of Finance, who is delegated to carry out the Scheme Manager function by the Authority for the Essex Firefighter Pension Schemes, made the decisions about the running of the Firefighter Pension Schemes during the 2020/21 year.

The role of the Board is to assist the Scheme Manager to ensure compliance and to make recommendations to improve the efficient and effective administration and governance of the pensions function.

This year the Board has fulfilled its role in the following ways;

Date	Area	Action
Thursday 4th June 2020	Administration	The Board received assurance that core responsibilities will continue despite the Coronavirus pandemic.
Thursday 4th June 2020	Provision of information	The Board suggested improvements to the information provided to new starters, including the paperwork sent to them, recorded videos and that the Pension Manager is invited to the induction days.
Wednesday 2nd September 2020	McCloud & Sargeant	The Board reviewed the information sent to retiring employees about the remedy to the McCloud & Sargeant.
Wednesday 2nd September 2020	Pensionable Pay	The Board recommended a course of action to resolve a way forward for collecting arrears of pension contributions from members who had received allowances that were now classified as pensionable.
Thursday 3rd December 2020	Re-employment after retirement	The Board requested that a decision tree for abatement and the protected pension age is created and made available.
Thursday 4th March 2021	Pension Scams	The Board recommended that the dangers of pension scams and how to spot and avoid them is communicated to all staff.
Thursday 4th March 2021	Annual Benefit Statements	The Board recommended that Annual Benefit Statements continue to be sent through the post, but

		that members should be allowed to choose to receive an electronic version on Civica self-service.
All meetings	Various	The Board noted developments with the McCloud / Sargeant remedy and the Modified scheme. The Board also reviewed the pension risk register at each meeting. The Board also completed its work-plan, attached at Appendix 2.

Future Dates of Meetings

The Board agreed to the following meeting dates for the 2021/22 year:

Thursday 3rd June 2021 at 9.30am

Thursday 2nd September 2021 at 9.30am

Thursday 9th December 2021 at 9.30am

A meeting will be arranged for March 2022.