

NORTHUMBERLAND COUNTY COUNCIL

Firefighters' Pension Scheme (FPS) Local Pension Board

At a meeting of the **FPS Local Pension Board** held at County Hall, Morpeth on Tuesday, 22 October 2019 at 10.00 a.m.

PRESENT

S Richards
(Chair, in the Chair)

SCHEME MEMBER REPRESENTATIVE

Tiffin, G

**EMPLOYER REPRESENTATIVES
COUNCILLORS**

Robinson, M

Swithenbank, ICF

OFFICERS IN ATTENDANCE

C Gorman (CG)

Principal Accountant (Pensions) -
Project Officer

A Lister (AL)

Board Secretary

H Scargill (HS)

Client Relationship Manager
(WYPF)

N Turnbull (NT)

Democratic Services Officer

OBSERVER

Fox, A

FBU Observer

Definition of Terms

ABS
CARE
Common Data

Annual Benefits Statement
Career Average Revalued Earnings
E.g. name, address and date of birth, held
for pensions processing

FPS
FRA
GAD
GMP
HMT
IDRP
LPB
SAB

Firefighters' Pension Scheme
Fire and Rescue Authority
Government Actuary's Department
Guaranteed Minimum Pension
HM Treasury
Internal Dispute Resolution Procedure
Local Pension Board
Firefighters' Pensions (England) Scheme
Advisory Board

Scheme Manager

The Scheme Manager (a function not a
person) is responsible for managing and
administering a scheme

Ch.'s Initials.....

Scheme Specific (Conditional) Data

E.g. employment record and contribution history held for pensions processing

ToR
tPR
WYPF

Terms of Reference of the Board
The Pensions Regulator
West Yorkshire Pension Fund, as provider of shared administration service for NCC and other FRAs

1. Apologies

There were no apologies.

2. Consideration (Declaration) of Conflicts of Interest

The Chair informed Board members that they would need to consider whether they had a conflict of interest arising from any of the agenda items to be discussed at each meeting. None were declared.

3. Minutes of the FPS Local Pension Board

It was noted that the minutes of the meeting of the Firefighters' Pension Scheme Local Pension Board, held on Tuesday 16 April 2019, had already been adopted and signed by the Chair as a true record (in accordance with the Board's terms of reference), and were received for information.

4. Chairs' Briefing

The Chair highlighted the following:

- SAB and tPR recommendation that 4 Board meetings be held each year. Members discussed the increasing workload and that extra meetings would enable a more thorough review of specific items. It was noted that the constitution required that a minimum of 2 meetings be held every year. HS commented that most of WYPF's clients met 4 times per year.
- AL provided a brief summary of the SAB conference on behalf of the Chair who had been unable to attend. The conference included an update from the civil servant responsible for fire and police pensions, technical workshops, an update on recent case law and future training requirements.

The Board **agreed** to increase the number of meetings per year to 4 and that an extra meeting be scheduled in January 2020.

5. Reports of the NCC FPS Scheme Manager

Members of the FPS Local Pension Board received a copy of the following reports (copies of which are filed with the signed minutes and marked as Item 5):

(a) Breaches in the quarters to 30 June 2019 and 30 September 2019

It was noted that:

- Breach 14 had been reported to the previous meeting when it had been agreed that that the processes at WYPF would prevent recurrence in the future and it was therefore not reportable.
- Breach 15 was not a breach but a missed target as the lump sum was paid 1 day late and the regulations allowed 2 months for pensioners to be paid.
- Breach 16 - dispatch of ABS to RBS Modified members after the statutory deadline due to a delay with software amendments to automate the process for this group of members rather than manual calculations. HS stated that WYPF had reported this breach to tPR as some statements had been delayed the previous year for a different reason. It was noted that the breaches log needed to be amended.

The Board **agreed** that breaches 14 and 15 were not reportable.

(b) Scheme administration, complaints, appeals, IDRPCs

It was noted that an appeal to Medical Appeals Board had upheld an IQMP report.

In answer to a question, HS confirmed that until there was a change in legislation, the payment for ill health would be made under the relevant scheme which in the above case was the 2015 scheme. This case may need to be reassessed if legislation was changed.

The Board **noted** the report.

6. Monthly Client Report for NCC from WYPF

Members of the FPS Local Pension Board received a copy of the following reports (copies of which are filed with the signed minutes and marked as Item 6). Standard headings within the reports included: Regulations, Member Issues, Administration Update including Member Web registrations, Membership Numbers and Key Performance Indicators (KPIs).

- a) April 2019
- b) May 2019
- c) June 2019
- d) July 2019
- e) August 2019
- f) September 2019
- g) October 2019

AL gave a brief summary of the reports. The Board discussed and noted the following:

Pensionable Pay Guidance

GMP Reconciliation

ISO27001 Accreditation

Update on McCloud judgement - retirement projections, ABS and pensions advice was based on current regulations. The McCloud Employment Tribunal case management hearing was scheduled for 18 December 2019.

WYPF had won the Best Administration Award at the European Pensions Awards and had been shortlisted in 3 categories in the Local Authority Pensions Forum awards.

Information awaited by WYPF from Employee Services on leavers.

Members were encouraged to contact the Board Secretary with any queries on the reports which were now circulated monthly.

The Board **noted** that Pension Savings Statements had been issued to members who may breach the Annual Allowance and Lifetime Allowance before 6 October deadline.

7. WYPF Report to NCC's FPS LPB on 22 October 2019

HS outlined the report and highlighted the following:

- Details of regional group meetings,
- Factsheets
- McCloud - remedy timeline known after the Employment Tribunal case management hearing on 18 December 2019.
- Analysis of Administration and Benchmarking review results to determine priorities where performance was below average.
- Valuation 2020 - confirmation received from GAD that the specification broadly the same with additional information required regarding remedy cases.
- Monthly returns required from NCC. AL confirmed that this would be highlighted with NCC Employee Services. WYPF also needed information regarding new records and transfers.
- KPI Report - Information was provided for NCC and all WYPF clients for the quarter ending 30 September 2019. Performance had improved in most areas except 'Deferred Benefits set up on Leaving' at 62.5% which was just lower than the client average of 69.54%.

Agenda items 16 and 28 were brought forward.

8. Firefighters' Pension Scheme Administration and Benchmarking Review

CG referred to the report written by Aon who had been commissioned by the SAB to survey FRA's, administrators and scheme members to highlight areas and themes which might require attention to ensure that an effective and efficient service was delivered to scheme members.

The survey had been undertaken to ascertain how much the scheme cost and how effective the administration was.

The following key findings were highlighted:

- Not all administrators were working to legal timeframes.
- 64% of administrators did not provide an on-line self-service facility. This was available at WYPF and for clients including NCC scheme members.
- Average cost in 2018 to FRA's of £76.90 or £120.33 if the costs of special projects were included. This compared to around £30 per member for the LGPS in England and Wales in 2017/18.
- Comparison of average costs per member with private sector schemes from data in 2012 varied from £182 for schemes with over 5,000 members to £505 for schemes between 1000 and 99 members.
- The costs of administering the scheme appeared high although it was difficult to make direct comparisons. The police pension scheme was likely to be the most comparable but data was not available.
- 7 themes had arisen around: complexity of the scheme, relationships, reporting, data, engagement and communication, breaches and costs and had resulted in recommendations to the SAB to address these areas.

HS confirmed that cost comparison was to be undertaken on an annual basis in the future.

9. SAB Joint Pension Board Guidance

CG referred to the arrangements for closer joint working or merger between NCCPF and TWPF and the impact this would have on the administration of the Firefighters' Pension Scheme Local Pension Board.

Reference was made to the guidance released in June 2019 for the formation of joint pension boards and the limited circumstances where an application to the Secretary of State would be successful. She confirmed that options for a joint board with TWPF would be explored over the next few weeks and information shared in an electronic meeting or at the extra meeting in January 2020.

The meeting adjourned for a short break at 11.40 am when CG and AF left.

10. Agenda and Minutes of WYPF quarterly client meeting held 23 July 2019

The Board received the minutes of the quarterly client meeting held on 23 July 2019.

AL reported that the business continuity plan had been discussed and assurances had been gained regarding cyber security.

The Board discussed the arrangements for IT security at NCC and WYPF. It was confirmed that WYPF had recently been awarded the ISO 27001

(Information Security Management Systems) accreditation. All Local Authorities were also required to comply with the Information Commissioner's Office (ICO) Public Service Network Code of Connection. Any breach of data would need to be reported within 24 hours.

In answer to a question on business continuity, HS confirmed that they had appointed Nicola Daniel as Member Services Manager, had increased the number of officers in the Pensions Team; and knowledge and training was being shared between the Pensions and Communications Teams as part of succession planning.

11. Minutes of North East Region Fire Pension Officers Group meetings held 15 May 2019 and 12 June 2019

The Board Secretary highlighted a number of points from the above meeting, including the O'Brien case and its implications.

12. Board to consider actions identified by the Scheme Advisory Board

The Board reviewed actions identified by the SAB:

- Two Pensions - to be considered as a separate agenda item later on the agenda.
- SI 2019/378 member disclosure - HS reported that the change had not been deemed material at the client meeting in April 2019. Therefore, the information had been included within ABS and on payslips but not by the specified deadline of 1 July 2019.
- Revised Fire factors - HS confirmed that the factors had been applied.

The Board **noted** that confirmation had been received from HS / WYPF that all SAB necessary action had been taken and factors applied.

13. Annual Report of the NCC FPS Local Pension Board 2018/19 presented to Audit Committee 24 July 2019

14. FPS 2018-19 Statement of Accounts and IAS19 FPS liabilities

Items 13 and 14 were considered together.

It was noted that the Annual Report of the NCC FPS Local Pension Board for 2018/19 had been approved by the Audit Committee on 24 July 2019. The format followed a similar pattern to previous years but contained more graphical information for easier comparison since data was now available from 2015 when the Board had been formed.

An extract of the Statement of Accounts and IAS19 liabilities was also enclosed for the NCC Firefighters' Pension Schemes.

15. SAB factsheet - tPR data requirements

The Board received a copy of tPR factsheet on data requirements for the 10 different types of FP scheme member. It also contained a checklist of information to be verified.

16. Time limits for provision of information

Members of the Board received an extract of the Disclosure of Information requirements from the SAB which were included for information and awareness of time limits for the provision of information.

GT enquired whether members were provided with information about transfer credits? HS confirmed that this was an employer responsibility and that an LGA leaflet was available or the information could be provided in another format to new starters.

The Chair requested that confirmation be sought about compliance with the requirement from Fire HR.

IS left the meeting at 12.05 p.m.

17. Data Improvement Plan

A copy of WYPF's Data Improvement Plan for NCC data was considered.

HS confirmed that actions on page 8 of the report and coloured green were to be completed more urgently whereas amber items were less urgent.

Reference was made to tPR's survey deadline of 14.11.19.

18. Annual Benefit Statements formats

Members of the Board received samples of Annual Benefits Statements for the various FP schemes. The revised format had received positive comments.

19. 2016 GAD Valuation - GAD report on Northumberland data issues

The Board received information about data that had been excluded by GAD. At Northumberland data had been excluded in respect of:

- Age retirement assumptions
- Ill-Health, Withdrawals and Death before retirement.

AL confirmed that this was not due to incorrect or wrong data, but that the Northumberland data did not meet the criteria GAD expected. It was hoped that as the administration was now being undertaken by WYPF, more data would be included in 2020.

20. IQMP hearing

The Board received an update on an IQMP report which had been upheld by the Medical Appeals Board.

21. FBU members pensions update August 2019

The Board received a copy of correspondence from the FBU to its members dated 7 August 2019 regarding the impact of the McCloud judgement on its members in the various FP schemes and that the cost cap benefits should not have been frozen awaiting the result of the transitional protection discrimination claims. The dispute remained outstanding.

22. Potential Impact of McCloud ruling on pension account disclosures

A report from GAD was circulated which set out the potential impact of the McCloud/Sargeant ruling on pension account disclosures.

AL confirmed that the report was confidential and that the actuary for NCC had made an assessment in compliance with the auditors requirement.

23. RDS Modified Annual Benefit Statements

The Board received confirmation that the RDS Modified ABS had now been issued. As stated earlier in the meeting WYPF had reported the breach to tPR.

24. Implications for NCC of Pensionable Pay ruling - Booth v Mid and West Wales FRS

The Board received a copy of an email dated 12 June 2019 from Mark McCarty, Deputy Chief Fire Officer, which summarised the position on the above case and outlined action to be taken by NFRS. A SAB leaflet on Pensionable Pay was also circulated.

The Board discussed the implications of secondary contracts particularly if a member was injured or died whilst undertaking duties under the secondary contract as the benefit payable would be based on the job that was being carried out at the time of death or injury.

25. LGA Report "Firefighters' Pension Scheme training survey"

The Board received a copy of the LGA report which analysed the results of the Firefighters' Pension Scheme training survey carried out between 31 May 2019 and 31 July 2019. Areas identified for future training were outlined on page 11 and included ill-health, pensionable pay and pension taxation. Events had been held or were scheduled to be held during 2019 on the most requested areas.

The Chair noted the requirement to complete tPR's Toolkit and enquired about the participation in joint training with TWPF.

26. Formal training plan and log

A list of training events attended by members of the LPB from October 2017 to March 2019 was circulated.

The Board received a copy of the formal training plan and log for members of the Board since March 2016 including attendance at the LGA FOPS Annual Conferences.

AL agreed to include information regarding Members completion of tPR's Toolkit and commented that information was available in the Factsheets which also increased members knowledge.

HS offered to provide 1 hour training sessions following the meetings in 2020 to assist pension board members knowledge on Annual Allowances, Transfers In, Ill-Health and Injuries.

27. Risk Register

A copy of the revised FPS Risk Register in the new corporate format was circulated at the meeting.

HS commented that the risk register for South Yorkshire included a useful front page which summarised any changes to risks. Clair Alcock, LGA Firefighters' Pension Adviser, had highlighted South Yorkshire's register as an example of best practice. HS agreed to provide the Board Secretary with an electronic copy after the meeting for consideration for inclusion.

28. SAB Factsheet - Split pensions (Two pensions)

A fact sheet prepared by the SAB to give guidance to FRA's on when entitlement to two pensions occurs under the FPS 1992 and FPS 2006 and how it should be calculated.

HS confirmed that records would need to be checked back to 2007 to check if there would be any members entitled to a split pension. A lead officer needed to be identified within HR as it was the employer's responsibility to identify where there could be a potential entitlement.

GT requested that a report be considered at a future meeting to confirm progress being made.

29. Future meeting dates

Members received a list of proposed dates for meetings of the FPS Local Pension Board in 2020/21. However, reference was made to the discussion

earlier in the meeting regarding increasing the number of meetings per year from 2 to 4 to comply with the recommendation by SAB. It was also suggested that it would be useful for WYPF if the dates could be coordinated with TWPF so the meetings of the 2 Boards were held on adjacent days. It was therefore agreed that an extra date in January 2020 be included and Members be notified following the meeting.

30. Any other business

There was no other business.

(The meeting ended at 12.50 p.m.)

CHAIR S Richards

DATE 17 December 2019

NORTHUMBERLAND COUNTY COUNCIL

Firefighters' Pension Scheme (FPS) Local Pension Board

At a meeting of the **FPS Local Pension Board** held at County Hall, Morpeth on Tuesday, 14 January 2020 at 10.00 a.m.

PRESENT

S Richards
(Chair, in the Chair)

SCHEME MEMBER REPRESENTATIVE

Tiffin, G

**EMPLOYER REPRESENTATIVES
COUNCILLORS**

Robinson, M

OFFICERS IN ATTENDANCE

A Lister (AL)
H Scargill (HS)

Board Secretary
Client Relationship Manager
(WYPF)
Democratic Services Officer

N Turnbull (NT)

OBSERVER

Fox, A

FBU Observer

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Scheme Manager

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person) is responsible for managing and
administering a scheme

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E.g. employment record and contribution
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Ch.'s Initials.....

1. Apologies

There were no apologies.

2. Consideration (Declaration) of Conflicts of Interest

The Chair informed Board members that they would need to consider whether they had a conflict of interest arising from any of the agenda items to be discussed at each meeting. None were declared.

3. Minutes of the FPS Local Pension Board

It was noted that the minutes of the meeting of the Firefighters' Pension Scheme Local Pension Board, held on Tuesday 22 October 2019, had already been adopted and signed by the Chair as a true record (in accordance with the Board's terms of reference), and were received for information.

4. Chairs' Briefing

The Chair highlighted the following:

- Meetings would now be held on a quarterly basis in line with tPR's recommendation.
- A new age discrimination case in respect of 2006 scheme members not transferred to the 2015 scheme, had been submitted by the FBU in December 2019.

5. Reports of the NCC FPS Scheme Manager

Members of the FPS Local Pension Board received a copy of the following reports (copies of which are filed with the signed minutes and marked as Item 5):

(a) Breaches in the quarters to 31 December 2019

There had been no new breaches identified.

(b) Scheme administration, complaints, appeals, IDRPs

There were no new issues to report.

GT reported that the Deputy Chief Fire Officer had confirmed that the IQMP 15 scheme case would be reassessed under 1992 scheme criteria and an update would be provided in due course.

The Board **noted** the report.

(c) FPS national developments

AL provided a detailed summary of the updates on the McCloud and Sargeant cases with information contained in the following:

- The SAB on 3 December 2019
- The Employment Tribunal case management hearing on 18 December 2019
- Draft Agreed Directions
- FBU letters dated 26 November 2019, 16 and 18 December 2019
- FBU News Release 18 December 2019
- Press coverage
- Emails from WYPF dated 17 and 18 December 2019
- A further update on transitional protection remedy was included on page 3 of FPS Bulletin 27 (December 2019) and examples provided.

HR reported that a meeting had been held in December 2019 with interested parties which included representatives from the police, LGA, Home Office, administrators, software providers.

The Board **noted** that:

- The remedy would address claims by claimants first before consideration of and then age-based differences in treatment for non-claimants. Non-claimants would not be entitled to compensation.
- The SAB would be establishing a working group of stakeholders in January 2020.
- Guidance was expected on ill-health issues and backdated employer contributions.
- A review would need to be undertaken on members eligible to retire under the rule of 75 under the 1992 scheme (members aged over 50 with more than 25 years service).
- WYPF would be unable to process any retirement cases until guidance was issued and confirmation received from FRA's that members fall under the terms of the Declaration.
- Members would need to budget for increased contributions. Recovery of arrears would normally be permitted over the same period that they had been accrued or deducted from lump sums. Regard would also be had to Norman v. Cheshire criteria. If payment of arrears was likely to cause hardship, consideration could be given to extending the recovery period.
- Wording within the draft Declarations that members were 'entitled' to be treated, not 'must' and therefore this was not compulsory. Historic amendments did not allow members to be put in a worse position and

therefore depending on individuals circumstances, it might be better for some members to stay in the 2015 scheme. Home Office guidance was required.

The Board **noted** the update and requested that confirmation be obtained from the Deputy Chief Fire Officer regarding review of ill-health cases and members eligibility for immediate retirement.

6. **Monthly Client Report for NCC from WYPF**

Members of the FPS Local Pension Board received a copy of the following reports (copies of which are filed with the signed minutes and marked as Item 6). Standard headings within the reports included: Regulations, Member Issues, Administration Update including Member Web registrations, Membership Numbers and Key Performance Indicators (KPIs).

- a) November 2019
- b) December 2019

AL gave a brief summary of the reports highlighting application of revised factors by WYPF, tPR data scores including significant improvements in some areas and that there were no concerns regarding the KPIs as most targets were being achieved.

The Board **gained assurance** that a 'Pensions Administration Audit' had been completed externally by Royal Berkshire.

The Board **noted** that Barnett Waddingham had been commissioned to provide Pensions Tax Awareness training to WYPF staff.

7. **WYPF Report to NCC's FPS LPB on 14 January 2020**

HS outlined the report and highlighted the following:

- Fire Quarterly Client Meeting: discussion of issues being experienced by clients; good practice for FRAs to review accuracy of member records prior to submission of information to reduce the number of queries.
- Durham and Darlington had become a client of WYPF on 1 October 2019. East Sussex was due to transfer on 1 April 2020.
- Monthly returns had not been received from NCC. AL reported that this was due to payroll being transferred to a cloud based system. HS was confirmed that the year end return would be required.
- Valuation 2020 - confirmation had been received from GAD that the 2016 specification would be utilised with additional information required regarding remedy cases. Accuracy would be essential for the Month 12 data.
- KPI results were likely to worsen as information and guidance was awaited from the case management hearing and remedy. This included pension estimates although members were being issued with correspondence

which explained the reason that there would be a delay.

8. Agenda and Minutes of WYPF quarterly client meeting held 21 October 2019

The Board received a copy of the minutes of the WYPF Fire Clients meeting dated 31 October 2019.

AL reported that amended regulations due for the FPS 1992 were likely to be combined with a Police Statutory Instrument, due before 31 March 2020.

9. Board to consider actions identified by the Scheme Advisory Board

The Board **gained assurance** that revised factors for FPS 2006 had been put into effect in November 2019 by WYPF.

10. tPR Returns 2019

The Board received copies of tPR returns for 2019 for each of the 1992, 2006 and 2015 schemes.

It was noted that the returns included details of the Pensions Board members and their addresses.

Cllr Robinson stated that he had moved and his address needed to be updated. AL confirmed that the new address would be forwarded to WYPF, in order that the details be updated in-year.

11. tPR Public Service Governance and Administration Survey 2019

The Board received a copy of the Public Service Governance and Administration Survey 2019 for each of the fire pension schemes. The surveys had been completed by WYPF and submitted prior to the deadline of 29 November 2019. The Board **noted** that it was considered good practice to complete the survey.

The Board Secretary highlighted a number of new questions, and change in tPR's focus. These included :

- A9 obtaining specialist advice
- A10 Board composition and turnover
- A11 succession planning
- C4 automation of processes
- C6 administration included as dedicated agenda items

HS relayed information regarding the identification of malware within another client's system via an email delivery failure message which had resulted in an investigation and the client alerted to the problem. The issue was now resolved.

The Board **gained assurance** from the cyber security and processes in place at WYPF.

12. Agenda and Minutes of FPS SAB LPB Effectiveness Committee held 12 November 2019

The Board received a copy of the agenda and minutes of the FPS SAB LPB Effectiveness held on 14 November 2019.

HS made reference to:

Paragraph 5.5 - the tPR's cohort review of 10 LGPS funds in 2018 and the report published on governance and administration risks in public service. It was understood that 4 FRA's had been identified for a similar review of Fire and Rescue Administrators to improve effectiveness.

Paragraph 6.2 - identification of 6 principles to enable Boards to assist scheme managers:

- i. Understand what the risks are
- ii. No conflicts of interest
- iii. To be informed and knowledgeable
- iv. Understand the data
- v. Collect the right money at the right time
- vi. What to do when something goes wrong

Paragraph 8 - engagement with Boards. The Board Secretary was asked to follow up any training offered by the LGA for a possible joint training session. neighbouring schemes being invited to attend, as previously.

Paragraph 9 - 2019 work plan. Completed items were highlighted in grey.

13. Home Office Fire and Rescue Pensions statistics April 2018 to March 2019

The Board considered a copy of the Home Office Fire and Rescue workforce and pension statistics for the period April 2018 to March 2019.

AL commented that nationally, there were 80% of active members in the FPS 2015 nationally compared to 61% at NCC FPS. It was not yet known the impact of the McCloud decision although costs would likely increase and also the deficit.

14. Risk Register

Following the discussion at the last meeting regarding the risk register which had been updated to reflect the new Corporate methodology, the register had now included an additional column to show movement in risk, as per the

example of best practice provided by HS. The only risk assessed as severe and coded red related to risk of scheme changes (McCloud, cost cap etc).

Members of the Board were asked to consider if any additional risks needed to be included in the register. None were identified at the meeting.

AF sought clarification of the assessment criteria which AL agreed to provide.

15. SAB factsheet - Split pensions (Two pensions)

AL reported that an officer within HR had been identified to lead the check of payroll records back to 2007 to identify affected members from the above changes. New cases were identified when processed. The required access to the records would be granted to payroll staff to carry out this exercise.

16. SAB Joint Pension Board Guidance

The Board Secretary reported that, given the increasing certainty and progress being made with regard to the merger of the NCCPF and TWPF LGPS, discussions had been held with officers at Tyne and Wear Fire and Rescue Service regarding the possibility of a joint Firefighters PS LPB. However, no progress had been made and this was unlikely to happen.

18. Future meeting dates

Members received a list of proposed dates for meetings of the FPS Local Pension Board in 2020/21 which would now meet on a quarterly basis.

It was agreed that:

- The start time would be determined nearer the date of the meeting depending on whether the WYPF representative was attending the TWPF FPS LPB the previous day.
- The date in April 2021 be brought forward to avoid the County Council election and purdah period.

19. Any other business

Secondary Contracts - In response to a query, HS provided an explanation of injury benefits which related to the role being undertaken by a Member when an injury occurred. If this was a secondary contract, the compensation could be smaller than a payment under the main contract. She agreed to forward a factsheet in order that the FBU representative could raise awareness amongst affected members.

(The meeting ended at 11.13 a.m.)

CHAIR _____

DATE _____

Ch.'s Initials.....

FPS Local Pension Board, 14 January 2020

NORTHUMBERLAND COUNTY COUNCIL

Firefighters' Pension Scheme (FPS) Local Pension Board

The Board's Terms of Reference sets out: Urgent business of the Firefighters' Pension Scheme Local Pension Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Firefighters' Pension Scheme Local Pension Board including telephone conferencing and e-mails.

At a meeting of the **FPS Local Pension Board** held via teleconference on Tuesday, 21 April 2020 at 10.00 a.m.

PRESENT

S Richards
(Chair, in the Chair)

SCHEME MEMBER REPRESENTATIVE

Tiffin, G (GT)

**EMPLOYER REPRESENTATIVES
COUNCILLORS**

Robinson, M (MR)

Swithenbank ICF (IS) (Vice-Chair)

OFFICERS IN ATTENDANCE

C Gorman (CG)

Principal Accountant (Pensions) -
Project Officer

A Lister (AL)

Board Secretary

H Scargill (HS)

Client Relationship Manager
(WYPF)

N Turnbull (NT)

Democratic Services Officer

OBSERVERS

C Johnson (CJ)

Principal Accountant

N McDermott (NM)

Senior Accountant

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Ch.'s Initials.....

HMT	HM Treasury
IDRP	Internal Dispute Resolution Procedure
LPB	Local Pension Board
SAB	Firefighters' Pensions (England) Scheme Advisory Board
Scheme Manager	The Scheme Manager (a function not a person) is responsible for managing and administering a scheme
Scheme Specific (Conditional) Data	E.g. employment record and contribution history held for pensions processing
ToR	Terms of Reference of the Board
tPR	The Pensions Regulator
WYPF	West Yorkshire Pension Fund, as provider of shared administration service for NCC and other FRAs

1. Apologies

Apologies were received from A Fox (Scheme Member Observer).

2. Consideration (Declaration) of Conflicts of Interest

The Chair informed Board members that they would need to consider whether they had a conflict of interest arising from any of the agenda items to be discussed at each meeting. None were declared.

3. Minutes of the FPS Local Pension Board

It was noted that the minutes of the meeting of the Firefighters' Pension Scheme Local Pension Board, held on Tuesday 14 January 2020, had already been adopted and signed by the Chair as a true record (in accordance with the Board's terms of reference), and were received for information.

4. Chair's Briefing

The Chair commented that the meeting was being held by teleconference due to COVID-19 and the requirements for social distancing.

5. WYPF Business Continuity and COVID-19 Update

- Paying pensions
- Maintaining records
- Member/employer communications

HS gave a detailed update about the provisions made for WYPF business continuity during the COVID-19 pandemic. Guidance for Pension Administrators had been issued by tPR and the Pensions Administration Standards Association (PASA), details of which were included in the Monthly Client Report for April 2020 (item 7d). Areas to be prioritised included:

- Payment of benefits
- Processing of deaths
- New retirements
- Minimising the risk of scams.

There were approximately 15 staff working in the WYPF offices which were normally occupied by up to 150 staff and they were therefore able to observe social distancing requirements. These staff were working in the office due to the nature of their role, eg scanning or because they did not have internet access at home. The majority of staff were working at home on laptops which resulted in slightly slower processing times.

The monthly pensioner payroll for April had been run as normal including the applying the annual pension increase to pensions in payment. The payment run was now taking place every Friday, and no longer daily, so some FPS members would no longer receive their lump sum retirement grant on the day of retirement. However, a weekly payment was well within the time period required by the regulations. The retirement pack, which was emailed to members in most cases, had been amended to reflect this change.

The payroll had been successfully tested by staff working at home, should this be required.

The risk of scams was low within FPS administration as transfers out were not permitted by the regulations. However, WYPF staff had been made aware of the increased risk of scams, the website had been updated and information would also be shared in the newsletter issued with ABSs.

ABSs and transfers had been identified as secondary priorities. Whilst some software updates were required, WYPF expected to issue the majority of ABSs by the 31 August deadline. An update would be provided if this was likely to change.

Market volatility was affecting the cash value of transfer values which were reduced compared to estimates received before the pandemic. Individual checks were being made with FPS members to ensure the action taken was in their best interests. This was estimated to be 20 cases across the 16 fire authorities currently processed by WYPF. It was unknown whether any of these were Northumberland cases.

In answer to a question, it was confirmed that WYPF currently had no problem with staffing levels and keeping the FPS administration service functioning. The only identified issue was that processing was slower for staff working on laptops at home.

6. WYPF Report to NCC's FPS LPB on 21 April 2020

HS outlined the report and highlighted the following:

- Fire Technical Community: working group formed to discuss the proposals from Treasury on the McCloud Remedy. Home Office consultation on O'Brien originally expected 'late' spring but could be delayed due to COVID-19. LGA Leaflet and guidance to be produced on abatement. 40% tax charge for recalculations required 12 months after original retirement date. It was confirmed that this only applied to new cases and would not be applied retrospectively.
- Valuation 2020 - GAD was expected to issue guidance on the process mid May and had confirmed that the deadline had been extended by 3 months to 31 December 2020.
- Monthly Returns and ABSs - One return was expected from NCC for the whole of 2019/20. NCC had been unable to move to monthly returns in 2019/20 due to the change in payroll software. It was hoped that NCC's annual return would be received on time and that NCC would move to monthly data submission from April 2020 onwards.
- Data Improvement Scores - report ran quarterly and scores updated with some minor improvements on the already high scores. The lower score of 50% for the 2006 modified scheme was believed to be due to start date mismatches which did not affect pensions in payment. This would be rectified when time permitted, although it would be raised to priority 1 if it affected the calculation of benefits for an active member.

7. Monthly Client Reports for NCC from WYPF

Members of the FPS Local Pension Board received a copy of the following reports (copies of which are filed with the signed minutes and marked as Item 7). Standard headings within the reports included: Regulations, Member Issues, Administration Update including Member Web registrations, Membership Numbers and Key Performance Indicators (KPIs).

- a) January 2020
- b) February 2020
- c) March 2020
- d) April 2020

8. Main guidance for FPS administrators for measures introduced by Government to control the spread of COVID-19

AL referred to the following guidance which had been captured from the relevant websites prior to the agenda papers being issued. It was noted that information on websites was being regularly updated.

- a) SAB COVID-19 webpage
- b) tPR COVID-19 scheme administration guidance - priorities for administrators to focus on.
- c) PASA COVID-19 Guidance for Administrators - priorities and measures for remote working.

Issues highlighted included injuries and awards under secondary contracts, COVID-19 additional activities to core duties, abatement, suspension of medical appeal boards, clarification as to whether COVID-19 should be treated as a qualifying injury under the compensation scheme.

In answer to a question regarding moving away from 'wet signatures', HS reported that they had not changed their processes. Individuals were invited to receive their retirement pack by email and encouraged to print relevant documents, sign, scan and email back, due to there being delays with postal deliveries. Checks were made with signatures and emails held on records. This would be discussed further if the issue became more problematic.

CG confirmed that the above process had worked for the application of a discretion where the emailed approval from the S151 Officer had been saved to the member's record in place of a form which would have previously provided the evidence for the record.

9. National Framework Agreement for the Supply of Police and Fire Medical Appeal Board Services

AL reported that the healthcare provider for police and fire medical appeal board services had requested that these be suspended for an initial period of 3 months (to 20 June 2020).

10. Ministerial Statement re McCloud 25 March 2020

AL referred to the written statement published by the Economic Secretary to the Treasury regarding progress toward remedy in public service pension schemes following the McCloud/Sargeant age discrimination case. The remedy would be applied to all pension scheme members with relevant service, regardless of whether they had made a claim. More information was to be made available later in the year, particularly with regard to tax implications, with a public consultation in due course.

In answer to a question, HS believed that an agreement would be reached between the Home Office, HMRC and the Treasury with regard to the 40% tax charge referred to in item 6, further information and confirmation was awaited.

11. Split pensions (two pensions)

AL commented that access had been given to payroll staff to make the appropriate checks, however, progress had been delayed due to other priorities during the current pandemic.

12. LGPS Merger and FPS Board Administration

CG confirmed that the consultation on the regulations for the merger between NCC Pension Fund and Tyne and Wear Pension Fund (TWPF) had launched on 20 March 2020 and was due to close on 1 May 2020. The regulations had

been drafted and were expected to be laid and made by Parliament mid-May 2020 and to come into force in June 2020. Two members of the NCC Pensions Team would be TUPE transferred to TWPF.

Board members were informed that the Terms of Reference for the Board would need to be changed as they currently required two members of the Pension Fund Panel to sit on the FPS Local Pension Board, and the Pension Fund Panel will no longer exist once the merger exercise is completed. A report would be taken to a future meeting of Council to propose that the Corporate Services and Economic Growth Overview and Scrutiny Committee be substituted for the Pension Fund Panel in the Board's Terms of Reference. The Audit Committee could not be utilised for this purpose as it was part of the escalation process for the Board.

The Corporate Services and Economic Growth Overview and Scrutiny Committee had been identified due to its current remit and likely access to financial business acumen. Coincidentally, Cllrs Robinson and Swithenbank were also members of that Committee.

Revised secretariat arrangements would be required following the TUPE transfer of the current Board Secretary; Craig Johnson and Natalie McDermott had been identified to replace AL, with support from CG.

CG and the Chair, on behalf of the Board, thanked AL for his excellent work and diligence supporting the Board since 2017.

13. Reports of the NCC FPS Scheme Manager:

Members of the FPS Local Pension Board received a copy of the following reports (copies of which are filed with the signed minutes and marked as Item 13):

(a) Breaches in the quarters to 31 March 2020

It was noted that: there had been no new breaches identified.

(b) Scheme administration, complaints, appeals, IDRPs

There were no new issues to report.

(c) FPS national developments

A list was included on pages 99 - 103 of the agenda papers.

14. Agenda and Minutes of WYPF quarterly client meeting held 5 March 2020

The Board received a copy of the minutes of the WYPF Fire Clients meeting dated 5 March 2020.

15. Future meeting dates

Members received a list of proposed dates for meetings of the FPS Local Pension Board in 2020/21 which was now scheduled to meet on a quarterly basis.

The Board was next due to meet on 21 July 2020 and a decision would be taken nearer the time as to the format of the meeting depending on the circumstances at the time and whether social distancing was still required.

16. Any other business

A member sought clarification and reassurance regarding any areas of concern for the administration of pensions.

HS stated that she had no major concerns at the moment and that WYPF would be able to continue to provide the pensions administration service. The only difference being that response times were slower with staff working at home on laptops instead of the normal office environment.

Some amendments to processes had been made, such as arrangements for a third party to print and issue letters, although correspondence was issued by email where this was possible, information was also available on the portal.

The Board **gained assurance** that arrangements were in place at WYPF regarding the administration of pensions during the COVID-19 pandemic.

The Chair thanked everyone for their participation and contributions.

(The meeting ended at 10.55 a.m.)

CHAIR S Richards

DATE 28 May 2020

