

**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 Thursday, 19 October 2017 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

Principal Accountant (Pensions) -  
Project Officer

A Lister

Board Secretary

D Smith

Pensions Project Manager

N Turnbull

Democratic Services Officer

**1. 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.

**2. 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 Thursday 27 April 2017, 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.

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### **3. Firefighters' Pensions Administration and Project Action Plan**

The Board received a report which considered the the options for the future administration of the Firefighters' Pension Scheme following the decision to share services with Tyne and Wear Pension Fund. (A copy is filed with the minutes as Item 10).

The Principal Accountant (Pensions) - Project Officer introduced Dave Smith, Pensions Project Manager, who was working on the project. A comparison of costs was discussed and the advantages and disadvantages were outlined of the options to provide the most sustainable administration service in the longer term. This was believed to be West Yorkshire Fire Authority and discussions were continuing with a view to transfer of administration taking place on 1 March 2018.

The Board noted the constraints of the current service and were reassured with the positive feedback from other clients of the proposed provider, the provision for regular meetings, roadshows and the opportunity for face to face meetings if this was required.

The impact on membership of the changes of the scheme were discussed including other options such as purchase of property or lifetime ISAs. It was noted that there was no provision within the FPS for additional voluntary contributions.

### **4. CHAIR'S BRIEFING**

The Chair welcomed everyone to the meeting and particularly the new members, Councillors Robinson and Swithenbank. He also introduced Andrew Lister who had replaced Clare Gorman as the Board Secretary.

The Chair wished to record his appreciation to Clare Gorman for her work, particularly with regard to establishing the Board. He also thanked the former councillors, Alan Sambrook and John Woodman for their contribution and support.

The Chair gave an overview of the Firefighters' Pension Scheme Annual Conference which had been held the previous week. Presentations were given on a number of subjects, including:

- the Pension Regulator
- changes to legislation
- the Pension Ombudsman
- Scheme Advisory Board website ([www.fpsboard.org](http://www.fpsboard.org))
- A view from Government, changes to schemes and how valued (Peter Spreadbury, Home Office and Chris Mulholland, Government Actuary's Department)

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- Recent Case Law 'Brewster' (nomination of cohabiting partner) and 'Walker' (same sex marriage / civil partner survivors pension). 'McCloud' and 'Sargeant' to be heard at the same time in the Employment Appeals Tribunal.
- Voluntary Scheme Pays
- Data challenges and the General Data Protection Regulations (GDPR)

## **5. 2016/2017 Annual Report of the NCC FPS Local Pension Board**

Members of the Board received a copy of the Chair's 2016/17 Annual Report of the NCC FPS Local Pension Board (a copy of which is filed with the signed minutes as Item 10).

The Chair outlined the report which contained details of membership and attendance at Board meetings, purpose, progress, risks, fund accounts, membership of the scheme and optants out. It was intended that a meeting be arranged with the Scheme Managers (Chief Fire Officer and Interim Chief Executive) to discuss the annual report.

Members discussed the differences in the fund accounts between 2015/16 and 2016/17 which demonstrated a reduction in contributions from members. It was also noted that the figure for commutations and lump sum retirement benefits had been higher in 2015/16 when a number of senior officers with long service had retired.

## **6. 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 6):

### **(a) Breaches in the quarters to 31 March 2016, 30 June 2016 and 30 September 2017**

The Board Secretary reported that the annual benefit statements for 19 individuals needed to be calculated manually and were to be issued in the next few weeks. It was noted that the systems for the new administrator were automated which would mean that the breach should not recur.

In answer to a question on breach 2, it was reported that pensions contributions were not payable on temporary promotions. The issue was now resolved.

### **(b) Scheme administration, complaints, appeals, IDRPCs**

There were none to consider.

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**(c) Update report on errors identified at 2014/2015 external audit**

The Board Secretary provided an update on errors which had been identified by external audit and Employee Services. Advice was being sought from the LGA regarding the approach to be adopted on smaller amounts where the cost of recovery exceeded the cost of the underpayment.

**(d) National and regional developments**

Information was received from the Firefighters' Pension Adviser on the following:

- The Brewster judgement
- Voluntary scheme pays
- The Scheme Advisory Board levy of £5.67 per active firefighter

The Board also received information on the requirement for Tyne and Wear Fire and Rescue Service to repay a Pensions Top Up Grant which had been incorrectly claimed.

**7. Report on membership of FPS in NCC**

Members of the Board received information about NCC's membership of the FPS (a copy of which is filed with the signed minutes and marked as Item 7). Figures were provided for the four fire pensions schemes as at 30 September 2017, 31 March 2017 and 31 March 2016. Data was also included regarding optants out.

**8. NCC's FPS 2016/17 draft Statement of Accounts and IAS19 FPS liabilities**

The Board received a copy of the draft Firefighters' Pension Fund Accounts for 2016/17 and IAS 19 liabilities for the period from 31 March 2013 to 31 March 2017 (a copy of which is filed with the signed minutes and marked as Item 8). It was noted that a grant of £103,000 had been received for 1992 Contributions Holiday. This related to reimbursement of contributions previously paid by firefighters before they were 20 years old.

**9. The Pensions Regulator Public service governance and administration survey results**

The Board received the Pensions Regulator summary of results and commentary of a survey undertaken in Autumn 2016 (copy filed with the minutes as Item 9). Areas of concern identified were: governance, record keeping, internal controls and member communications.

The Board Secretary referred to the areas highlighted in red on page 9 of the report and confirmed that:

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- Work on risks and a risk register would be commenced in the next few weeks.
- Many of the previously identified data issues, following an earlier review, had been resolved.
- Many schemes had experienced problems in 2016 regarding the issue of annual benefit statements by the statutory deadline. Significant progress had been made by the Pensions Administration section in 2017 although a number of statements had not yet been issued as discussed earlier in the meeting.

In response to a question on Scheme Manager attendance at pension board meetings, it was agreed that the Board secretary would make enquiries with neighbouring schemes to ascertain whether this was normal practice elsewhere.

#### **10. Financial Arrangements for Firefighter Pensions – Logasnet Returns: Pensions Estimates 2017/18 – 2023/24**

The Board received information from the Local Government Association Firefighters' Pension Adviser which highlighted the importance of forecasting pension accounting data. Details were also included about the approach taken by Northumberland to ensure the Pensions Estimate return was correctly completed. The return included a projection of possible future retirements given age and length of service of employees.

It was confirmed that the calculations were used to predict the value of the scheme and management of expenditure by the Government.

#### **11. Changes to FPS Regulations**

A report was circulated which contained details of changes to FPS Regulations regarding:

- Survivor benefits no longer being lost by widows, widowers and surviving civil partners of firefighters and police officers who have died or die on duty, if they remarry or form a civil partnership.
- Members should not be moved into the 2015 scheme if they were in the sickness retirement process.

#### **12. Update from FPS Scheme Advisory Board**

The Board received an update from the Scheme Advisory Board (SAB) Chair which included:

- A link to the Knowledge Hub forums which members were encouraged to join. [www.khub.net](http://www.khub.net).
- The membership and remit of the three SAB sub-committees.
- Tax training seminars

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- Requirements of the General Data Protection Regulations (GDRP)

**13. Future meeting dates**

Members received a list of dates for meetings of the FPS Local Pension Board in 2017/18.

Reference was made to the training offered by the LGA Firefighters' Pension Adviser and it was agreed that a joint training event be held with neighbouring authorities, if a suitable date could be arranged.

**14. Any other business**

There was no other business.

(The meeting ended at 12.03 p.m.)

**CHAIR** 

**DATE** 28 November 2017