

**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)	Board Secretary
H Scargill (HS)	Client Relationship Manager (WYPF)
N Turnbull (NT)	Democratic Services Officer

**OBSERVER**

Fox, A	FBU Observer
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**Definition of Terms**

ABS	Annual Benefits Statement
CARE	Career Average Revalued Earnings
Common Data	E.g. name, address and date of birth, held for pensions processing
FPS	Firefighters' Pension Scheme
FRA	Fire and Rescue Authority
GAD	Government Actuary's Department
GMP	Guaranteed Minimum Pension
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

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, IDRPCs**

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** \_\_\_\_\_