

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 virtual meeting of the **FPS Local Pension Board** held on Tuesday, 21 July 2020 at 10.00 a.m.

PRESENT

S Richards
(Chair, in the Chair)

EMPLOYER REPRESENTATIVES COUNCILLORS

Swithenbank ICF (IS) (Vice-Chair)

OFFICERS IN ATTENDANCE

C Gorman (CG)	Principal Accountant (Pensions) - Project Officer
C Johnson (CJ)	Board Secretary
N McDermott (NM)	Senior Accountant
H Scargill (HS)	Client Relationship Manager (WYPF)
N Turnbull (NT)	Democratic Services Officer

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

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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

Apologies were received from Cllr M Robinson (Employer representative), G Tiffin (Scheme Member Representative) and 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 21 April 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. Chairs' Briefing

The Chair reported that:

- A consultation document had been issued by HM Treasury on 16 July 2020 on the proposed McCloud/Sargeant remedy. Additional documents had been circulated to members the previous day to be considered as part of Item No. 11.
- Item No. 13 Actions for FRA's would become a standing item for future agendas.

5. WYPF Business Continuity and COVID-19 Update

- Paying pensions
- Maintaining records
- Member/employer communications

HS confirmed that most WYPF staff continued to work from home and this was working well with processing time targets generally being met. One minor change to the retirement grant payment process meant that this was now

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being run on a Thursday instead of a Friday each week, due to a technical IT issue which would have led to delayed payments without the change of day.

In answer to a question, HS confirmed that guidance was awaited from Bradford Council regarding the PM's announcement about continuing to work from home, where this was possible. Her understanding was that the organisation was satisfied with the current working arrangements and would not be rushing to get employees working back in the office.

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

HS highlighted the following:

- Fire Communications Meeting - further information on a number of the items was included within bulletin 34.
- Quarterly Fire Clients Meeting 15 July 2020 - minutes were awaited. There had been an update on staffing and recruitment of two pensions officers at WYPF to fill vacancies as a result of one retirement and one added post. A restructure of the Pensions Team had been agreed by WYPF with new posts in Business Development and Governance. Recruitment and assimilation of officers was expected to take place in the next few months. Consideration was being given to the creation of a separate Remedy Team to implement the McCloud/Sargeant remedy, once it was agreed. Staff would be recruited from Bradford Council if they met the essential criteria, with external recruitment undertaken only if suitable candidates could not be found from within the organisation.
- Valuation 2020 - Scripts from the software provider were expected to be received in September 2020 when testing would determine whether the revised specification from GAD had been incorporated successfully.
- ABSs update - Almost all ABSs for deferred members for 2020 had been issued. Production of the remaining ABSs was expected to commence within the next few days following additional testing on calculations.
- NCC's payroll data - A single annual return had been submitted from NCC's Payroll Section for 2019/20 as monthly returns had not been possible while moving to the Cloud. NCC's Payroll Team had responded to all resulting queries from WYPF arising from the annual return. WYPF expected that NCC's Payroll Team would commence submitting monthly data returns from April 2020.
- TPR Scheme Returns: Data Scores - The report had been run in July with very little change for NCC whose data scores remained constant. Issues within the 2006 Modified Scheme Specific data would be addressed when time and resource permitted. The outstanding issues did not prevent the payment of pensions and would be addressed as a high priority, should this change. The data scores for NCC were amongst the highest of the 16 FRAs that WYPF now administered, with the exception of the 2006 Modified Scheme Specific data.

7. Monthly Client Reports for NCC from WYPF

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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) May 2020

HS confirmed that the 2020 ABSs would not include any projections from the McCloud/Sargeant legal judgement and the resulting proposed remedy.

b) June 2020

HS commented that although an update had been included in the June monthly report on the McCloud/Sargeant legal position, this had been superseded by the publication, by HM Treasury, of the consultation on the proposed remedy, which would be considered under Item No. 11.

Reference was made to the extension of easement of tax rules to 1 November if retired firefighters were re-employed due to a FRA's response to the coronavirus pandemic.

A reminder was given about the need to complete form APSS155b by NCC's Payroll Team, if not already returned, in order that HMRC could backdate contracting out certificates for NIC's for FPS 2006 special members.

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

A copy of the latest guidance had been circulated with the papers which included the most recent updates.

a) SAB COVID-19 webpage

CG reported that:

- The GAD deadline of 31 December 2020 had been confirmed by SAB for administrators to submit data for the 2020 valuation.
- There had been an excellent response rate to the Covid-19 and FPS administration resilience survey and Covid-19 FPS Governance survey. Boards were continuing to meet using remote technology and pensions were continuing to be paid by administrators.
- Issues arising from ill health retirement applications and practical tips for these to be resolved.

b) tPR COVID-19 scheme administration guidance, and

c) PASA COVID-19 Guidance for Administrators

The guidance identified priorities for administrators and encouraged flexible working arrangements including the use of electronic signatures.

The Chair was reassured that administrators had been able to function well during the COVID-19 pandemic and that members continued to receive their pensions. CG commented that WYPF appeared to be doing an excellent job and continued to meet deadlines and function well in the changed working environment.

9. Revised Terms of Reference for the NCC FPS Local Pension Board following merger

CG reported that it was necessary to seek amendments to the Terms of Reference for the FPS Board (ToR) as a result of the merger of the NCC LGPS Pension Fund with Tyne and Wear Pension Fund. Merger would lead to the NCC Pension Fund Panel being disbanded shortly, as it was no longer necessary as NCC did not have LGPS administering authority responsibilities. She explained that, once the Pension Fund Panel no longer existed, the best alternative source of employer representatives (i.e. councillors) for the FPS Board was members of the Corporate Services and Economic Growth Overview and Scrutiny Committee. A decision was awaited from the Monitoring Officer whether the proposed changes to the ToR were sufficiently material to require the agreement of full Council.

The other significant amendment was to replace the Chair of the Pension Fund Panel with the Chair of the Corporate Services and Economic Growth Overview and Scrutiny Committee on the Appointments Panel, within the ToR.

10. Updated policy documents following change of Board Secretary

a) Procedure for Reporting Breaches of the Law

CG reported that Craig Johnson had recently replaced Andrew Lister as FPS Board Secretary and references within both the Procedure for Reporting Breaches of the Law and the Conflicts of Interest Policy had therefore been updated.

She reminded Members of their responsibilities regarding reporting breaches of the law which rested with individuals as well as with the Scheme Manager, the Board and NCC/WYPF officers. Page 91 set out the information that needed to be provided to tPR should a breach of material significance occur. Whilst it was anticipated that in most circumstances, breaches would be discussed with officers, provision had to be made for Board members to report breaches to tPR without discussing with officers, should serious fraud be suspected.

b) Conflicts of Interest Policy

CG confirmed it was the responsibility of the Board Secretary to ensure conflicts of interest were adequately managed. It was noted that conflicts should be rare and none had been logged in NCC (for FPS Board meetings) since 2015 when the Board came into existence.

11. Update on McCloud/Sargeant remedy, practical implications and planning for work challenges

HS referred to the consultation which HM Treasury published on 16 July 2020 with proposals to address age discrimination in public sector pension schemes. The consultation specified which FPS members were affected i.e anyone who was a member of the FPS on 1 April 2012, and clarified that members did not need to appeal in order to be awarded the remedy.

Under the proposed remedy, a choice would be offered on whether members received benefits from the legacy (final salary) or reformed CARE pension schemes relating to their service between 1 April 2015 and 31 March 2022.

She explained the difference between immediate choice and deferred choice, the implications for the retention of data and the requirement to contact three million members who may no longer be public sector employees, and the possibility of needing to produce two ABSs per member for many years to come. WYPF did not have all the data it needed to produce the two ABSs per member and each employer would be required to check who was affected and provide data.

A meeting of the working party was scheduled to be held the following week and HS hoped to reach a consensus of opinion for submission of a single response to the consultation. The working party comprised the SAB, administrators, software providers, scheme members and FRA representatives including officers from Finance and HR. HS did not know at this stage whether WYPF would be submitting a separate response and encouraged NCC FPS LPB to make its own submission.

Once the consultation document had been fully understood, she agreed to provide a summary of members in scope for remedy.

The Chair acknowledged that a vast amount of work would be required to resolve difficulties and understand the practicalities. He was pleased that WYPF was a member of the working party and involved in the discussions on the remedy at a national level.

12. Draft 2019/20 Annual Report of the NCC FPS Local Pension Board to be reported at Audit Committee on 29 July 2020

It was noted that the Annual Report of the NCC FPS Local Pension Board for

2019/20 was to be submitted to the Audit Committee on 29 July 2020 for approval. The format followed a similar pattern to previous years.

CJ confirmed that there was no guidance on the content of annual reports and no prescribed format, however he had found the format adopted succinct and easy to read. It contained information on membership, attendance, Board purpose, 2019/20 Board discussions, data scores, training, risks, scheme membership as at 31 March 2020, an extract from the NCC draft Statement of Accounts for 2019/20 and information about breaches of the law.

The Chair, on behalf of the Board thanked AL for providing technical support during 2019/20 in his role as the former Board Secretary and wished him well in his new role at TWPF.

13. Actions for FRAs: Board follow up

CJ reported that this would become a standing item on future agendas to ensure any action was followed up appropriately. (A copy was filed with the signed minutes and marked as Item 13).

Items requiring action by NCC were highlighted in the monthly bulletins from WYPF. The report identified officers or bodies responsible, relevant deadlines and whether further action was required to ensure that nothing was overlooked.

14. 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 14):

(a) Breaches in the quarters to 30 June 2020

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

(b) Scheme administration, complaints, appeals, IDRPCs

There were no new issues to report.

15. Future meeting dates

Members received a list of proposed dates for quarterly meetings of the FPS Local Pension Board in 2020/21.

The Board was next due to meet on 20 October 2020 and at this stage it was assumed that it would be a virtual meeting given the ongoing pandemic and requirement for social distancing. The format would be confirmed nearer the time.

CJ reported that, subject to the Chair's agreement, it had been necessary to change the date of the meeting of the Board in January 2021 due to a scheduling clash with a scrutiny committee for Councillors Swithenbank and Robinson. It was proposed that the date be changed to 28 January 2021.

16. Any other business

There was no other business.

The Chair thanked everyone for their participation in the first virtual meeting which had gone well. He hoped to see everyone in October.

(The meeting ended at 11.03 a.m.)

CHAIR S Richards

DATE 6 August 2020