

NORTHUMBERLAND COUNTY COUNCIL

FIREFIGHTERS' PENSION SCHEME LOCAL PENSION BOARD

At the meeting of the **Firefighters' Pension Scheme Local Pension Board** held at Remote Meeting on Thursday, 28 January 2021 at 10.00 am.

PRESENT

S Richards (SR)

(Chair) (in the Chair)

SCHEME MEMBER REPRESENTATIVE

G Tiffin (GT)

EMPLOYER REPRESENTATIVES COUNCILLORS

M Robinson (MR)

I Swithenbank (IS)

OFFICERS IN ATTENDANCE

C Johnson (CJ)

Principal Accountant

C Gorman (CG)

Principal Accountant (Pensions) - Project Officer

N McDermott (NM)

Senior Accountant

N Turnbull (NT)

Democratic Services Officer

H Scargill (HS)

Client Relationship Manager (WYPF)

N Turnbull (NT)

Democratic Services Officer

OBSERVER

A Fox (AF)

FBU Observer

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
LGA	Local Government Association
LPB	Local Pension Board
PASA	Pensions Administration Standards Association

Ch.'s Initials.....

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 **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 MEETING HELD ON 20 OCTOBER 2020**

It was noted that the minutes of the meeting of the Firefighters' Pension Scheme Local Pension Board, held on Tuesday 20 October 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.

3 **CHAIR'S BRIEFING**

The Chair reported that:

- The errors made in August by NCC's Payroll Service when providing pay details for leavers to WYPF had been raised with the Deputy Section 151 Officer and an update was included on the agenda at Item 13. He was pleased that the issues were being addressed by the Scheme Manager, following intervention by the Board, as it was important that WYPF received accurate information, in a timely manner, in order that new pensioners should receive the correct payments, without delays.

4 **WYPF BUSINESS CONTINUITY AND COVID-19 UPDATE**

HS was pleased to report that the Pensions Administration Service at WYPF was running smoothly without issues. During the third national lockdown, more staff were working from home whilst also managing the home-schooling of their own children. The flexible working hours scheme and availability of IT systems had therefore been adapted to include longer week-day hours and Saturdays, to enable employees to work their contracted hours, over a longer period.

5 **WYPF REPORT TO NCC'S FPS LPB ON 28 JANUARY 2021**

HS highlighted the following:

- Fire Communications Meeting 07.09.20 – discussion had focused on

Ch.'s Initials.....

Remedy and Immediate Detriment Guidance, data gathering and templates. No decisions had been made as yet. Proposals included a short one page guide for members as well as longer more comprehensive leaflets, webinars etc. It was acknowledged that members needed timely information in order to make individual decisions which could have a significant impact on their pensions. Individual FRAs did not need to prepare their own information as all information would be available from a central LGA website to ensure all members received consistent, up to date information. This LGA website had been due to enter a testing phase in December 2020.

- WYPF Update – Recruitment had commenced to fill 5 or 6 posts including 2 Pensions Officers, at least 1 of whom would be allocated to the FPS team. When work begins on Remedy, a temporary team will be created to focus on this work.
- Deadlines had been met for tPR Scheme Returns, GAD data collection for the 2020 valuation and HMRC Annual Event Reporting.
- Monthly contribution postings by NCC Payroll had not yet commenced but there had been progress with testing of data and discussions with the NCC Payroll Manager.

In answer to questions, HS confirmed that:

- There were no items on the WYPF Risk Register identified as high risk.
- Firefighters approaching retirement would need to make a decision to retire based on current terms. They would be contacted in due course and provided with information regarding Remedy which could result in an increased entitlement and arrears would be paid.

6 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) November 2020
- b) December 2020
- c) January 2021

7 MAIN GUIDANCE FOR FPS ADMINISTRATORS TO DEAL WITH MEASURES INTRODUCED BY GOVERNMENT TO CONTROL THE SPREAD OF COVID-19

- (a) LGA FPS Regulations/ Guidance COVID-19 webpage

CG reported that there had been few changes to the initial guidance, with the exception that the Medical Appeals Board services, which had initially been suspended in March 2020, had recommenced in July 2020 with regional provision opening up from November 2020.

- (b) tPR COVID-19 scheme administration guidance

Ch.'s Initials.....

CG commented that there had not been any changes to the guidance since September 2020. Initially the reporting of breaches had been temporarily suspended, but had been reimplemented on 1 July 2020.

(c) PASA COVID-19 Guidance for Administrators

The Pensions Administration Standards Association (PASA) original guidance had been released in March 2020 and updated in August 2020. It recognised that remote working was working well for pensions administration, although processes needed to continue to adapt.

(d) SAB review of impact of COVID-19 on FPS governance

CG stated that NCC had submitted a response to the SAB survey; governance had not been an issue at NCC, even for a short time, as the Board's Terms of Reference had provided for meetings by teleconference before meetings had commenced virtually. She also highlighted that governance costs had decreased due to officer participation in virtual meetings reducing travel costs.

8 PASA CYBERCRIME GUIDANCE FOR PENSIONS ADMINISTRATORS

CG referred Board members to the PASA Cybercrime Guidance for Pensions Administrators which had recently been published. Pension schemes needed to be aware of the dangers of cyber-attacks, the need to protect members' data, respond to threats and recover from a cyber-attack.

She commented that both Northumberland County Council and Bradford City Council were Public Service Network compliant and discussions had been held with senior officers within the IT Department to gain assurance regarding data security.

In answer to a question, she confirmed that data was held in the cloud, password protected and controlled by firewalls. Backups were also regularly made so that data could be recovered to the last backup date. Any security incident or data breach had to be reported in line with NCC's Policy. All employees also received regular online training.

HS reported that there had been cyber-attacks at WYPF although the technology in place had prevented data breaches from occurring. However, other organisations had been susceptible to cyber-attacks and WYPF therefore needed to remain vigilant. Data was backed up daily at WYPF.

9 PENSIONS PRESS ARTICLES ON SCAMS AND CYBERSECURITY RISK

CG highlighted the recent publication of press articles about increasing numbers of pensions scams and tPR's view that the Police and Regulators were under-resourced to be able investigate and respond to these.

Whilst transfers out were not a frequent occurrence in the Firefighters' Pension Scheme, there had been recent publicity regarding scams from transfers out of other pension schemes. Scheme administrators needed to remain vigilant and ensure that transfers were made only to legitimate schemes.

Ch.'s Initials.....

In answer to a question, CG confirmed that public sector pension scheme administrators were unable to provide members with financial advice. When “freedom and choice” legislation had been introduced by the Government, the responsibility had been placed on administrators to check that the receiving schemes did exist and also that the member transferring pension rights over a threshold value had received independent financial advice.

10 **HM TREASURY CONSULTATION ON THE MCCLOUD/SARGEANT REMEDY AND PAUSED COST CAP, PUBLISHED 16 JULY 2020: UPDATE**

CG reported that the HM Treasury consultation on the McCloud / Sargeant remedy and paused cost cap, had closed on 11 October 2020. The Treasury was currently considering responses and expected to publish its response to the consultation in 2021. This was still awaited. Once published, HM Treasury would need to work with the Home Office to draft the legislation to make the necessary changes to the FPS.

11 **MINUTES OF THE WYPF FIRE CLIENT MEETING HELD ON 21 OCTOBER 2020**

The Board received a copy of the minutes of the WYPF Fire Clients’ meeting held on 21 October 2020.

The Board noted that meetings were now taking place virtually on a quarterly basis and had been attended by representatives of NCC’s Finance Department. Officers from HR and the Fire Service were invited but did not regularly attend. The meetings were extremely helpful and WYPF was thanked for organising them.

12 **NCC PAYROLL ISSUES RE MR B, MR C AND MR G’S RETIREMENTS IN AUGUST 2020 AND FOLLOW UP**

CG provided a summary of actions taken since the identification of errors (including incorrect, incomplete or delayed submission of information) by the Payroll Section, which had been raised prior to the last meeting. All of the errors made had been corrected, but they had been a cause for concern for five FPS members during the time while their pensions were being put into payment.

The Board had also been concerned that monthly posting of contributions data by NCC Payroll was still not taking place, nearly 2 years after the FPS administration service had transferred to WYPF. The Board was extremely concerned that the Payroll Section would be under-resourced to deal with Remedy, when action would be required in the near future.

The Chair was pleased that following his email to the Deputy Section 151 Officer following the Board meeting in October, he had received a response in December and an update in January. A summary of the action being taken included:

- Changes to processes and incorporation of checklists to ensure that NCC would provide WYPF with correct and complete information in a timely manner.

Ch.’s Initials.....

- Progress with testing and amendment of reports to enable monthly postings to commence with effect from April 2020.
- Recruitment of additional staff, both permanent and temporary, together with the return of 3 staff from maternity leave, to boost Payroll resources to help deal with the additional requirements for age discrimination remedies within all public sector pension schemes.

The Deputy Section 151 Officer intended to continue weekly meetings with Payroll to monitor progress and provide a monthly update to the Board Chair.

HS confirmed she was aware of the progress on the testing of monthly postings and would check progress with her colleague after the Board meeting.

GT expressed his gratitude to the Board for the intervention to resolve the issues with his retired colleagues' pensions and the action taken to ensure the situation would not be repeated in the future.

Members of the Board **noted** the progress and **agreed** that the situation should continue to be monitored with a further update at the next meeting in April.

13 **PENSIONS PRESS ARTICLE ON THE HIDDEN COST OF COVID-19 ON THE FPS**

CG circulated an article published in Pensions Expert which raised awareness of the impact of Government borrowing to fund the pandemic, the shrinking of the economy, and future consequences for unfunded pensions schemes including the FPS.

She made a comparison with the Hutton Review which led to the introduction of the 2015 FPS and commented on the ongoing problems with its implementation.

The Board considered the impact on FPS membership if the Scheme became less financially attractive. Membership numbers of the FPS 2015 had decreased and it was a known problem, nationally. To date, only a small number of NCC's firefighters had opted out of the FPS 2015.

14 **ACTIONS FOR FRAS: BOARD FOLLOW UP**

CJ reported that this was now a standing item on agendas to ensure any action was followed up appropriately. (A copy was filed with the signed minutes and marked as Item 15).

He confirmed that actions identified within the monthly bulletins prior to October 2020 were complete. It was noted that:

- October 2020 – as at 17.01.21, Payroll had not yet provided data relating to immediate detriment required by the SAB. The deadline had been 30.11.20. The Chair asked that this be monitored.
- TPR Scheme Return 2019-20 – completed by 15.12.20 deadline.
- TPR Governance and Administration Survey 2020 – deadline 12.02.21 – to be completed.

Ch.'s Initials.....

HS commented that the SAB and LGA were now being given the names of FRAs that did not submit information by requested deadlines. The outstanding submission (due by 30.11.20) was of concern to the Board.

15 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 16):

A) BREACHES IN THE QUARTER TO 31 DECEMBER 2020 (NONE)

HS reported that training, listed as an outstanding action identified within Breach 17, had been held on 3 November 2020.

B) COMPLAINTS, APPEALS, IDRPS IN THE QUARTER TO 31 DECEMBER 2020 (NONE)

There were no new issues to report.

16 FUTURE MEETING DATES

The Board was next due to meet on 20 April 2021.

CJ would contact the Chair, following the meeting, to agree Board meeting dates for 2021/22 to follow a similar quarterly pattern to previous years, with meetings in April, July, October and January.

17 ANY OTHER BUSINESS

GT sought clarification regarding the position of members asked to undertake additional duties, outside their normal roles, following the collapse of the tripartite agreement. HS said she was unable to respond to his query as she had been unaware of the collapse of the agreement.

CHAIR.....

DATE.....

Ch.'s Initials.....