

NORTHUMBERLAND COUNTY COUNCIL

FIREFIGHTERS' PENSION SCHEME LOCAL PENSION BOARD

At the meeting of the **Firefighters' Pension Scheme Local Pension Board** held at Conference Room 1 - County Hall on Tuesday, 25 April 2023 at 11.30 am.

PRESENT

S Richards (SR) (Chair) (in the Chair)

EMPLOYER REPRESENTATIVES COUNCILLORS

M Robinson (MR)

SCHEME MEMBER REPRESENTATIVE

A Cregin (AC)

OFFICERS IN ATTENDANCE

| | |
|-----------------------------|------------------------------------|
| G Binning (GB) | Deputy Chief Fire Officer |
| P Hedley (PH) | Chief Fire Officer |
| L Nicklen (LN) | Lead HR Adviser |
| H Scargill (HS) (virtually) | 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 |
| ID | Immediate Detriment |
| IDRP | Internal Dispute Resolution Procedure |
| LPB | Local Pension Board |
| PASA | Pensions Administration Standards Association |
| 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 |

Ch.'s Initials.....

| | |
|------------------------------------|--|
| 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 for absence were received from Councillor Beynon.

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 MEETING HELD ON 24 JANUARY 2023

It was noted that the minutes of the meeting of the Firefighters’ Pension Scheme Local Pension Board, held on Friday 24 January 2023, 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 (VERBAL UPDATE)

The Chair commented that the Board needed to monitor the progress of the following important items and ensure there were adequate resources in place for completion of work by the relevant deadlines: Immediate Detriment, NCC Payroll, McCloud/Sargeant Remedy, Matthews Second Options Exercise and the Pensions Dashboard.

He also apologised for omitting to acknowledge the contribution made by Guy Tiffin at the last meeting. Guy had been the FBU Representative on the Board since the Board’s inception until he had resigned in September 2022 and was replaced by Amanda Cregin.

5 WYPF BUSINESS CONTINUITY UPDATE (VERBAL UPDATE)

HS reported that:

- Recruitment was ongoing.
- Internal project sub-group meetings were being held on a regular basis on age discrimination and Matthews as part of the organisations preparation to ensure that resources were in place for 1 October 2023 to:
 - Establish the number of cases in the different scenarios
 - When they could be progressed.
 - Determine whether they could be progressed manually, via use of spreadsheets, calculated automatically.

Ch.’s Initials.....

6 WYPF REPORT TO NCC'S FPS LPB ON 25 APRIL 2023

HS referred Board members to the Client reports and LGA Bulletins issued since the last meeting. She provided a brief summary of areas in the bulletins which required action (highlighted red):

- Item 2, Bulletin 65 - The CFO confirmed that Jill Macauley, Fire and Rescue Support Officer, was comprising a list of ill health cases and he would liaise with LN after the meeting. It was expected that only a few cases would require reassessment.
- Item 9, Bulletin 66 - Migration to HMRC Managing Pension Schemes service had been completed by Northumberland.
- Item 6, Bulletin 67 – The Pension Dashboard connection date had been deferred and a new date was awaited although work needed to continue.

The report also provided a brief update on recent meetings of the Fire Technical Community, Fire Scheme Advisory Board and Fire Quarterly Client meetings.

HS requested that email queries be sent to her and David Parrington, the recently appointed Pension Fund Representative (PFR), to expand his knowledge and to ensure that he had information to respond.

In answer to a question regarding an email with training dates from the PFR, it was confirmed that details were provided within the WYPF blog 'Hot Topics' issued on 3 April 2023 which had listed webinar dates between 11 April – 25 May. HS stated that this was their primary method of communicating with Fire Clients. She provided a brief demonstration on how officers could sign up to 'Hot Topics' via the Employer section on the WYPF website and then subscribing to notifications.

The DCFO suggested that an Action Log be created and that the Board Secretary should subscribe to Hot Topics and scan the WYPF Client Portal and Hot Topics weekly and share with members as necessary.

HS reported that:

- WYPF intended to produce Annual Benefit Statements (ABS) earlier than the 31 August deadline. Work continued on Northumberland's Month 12 return to verify accuracy of the data.
- Production had commenced for Deferred annual statements and the current value of benefits for early leavers, the information was being issued in batches. Pension Saving Statements would follow after ABS production.
- The signed disclaimer form had now been received from NCC accepting the risks involved in provision of pension estimates for retirement dates from 1 October 2023 before the regulations were laid. A new spreadsheet had been circulated for retirements expected between October to December 2023 so they could ensure they had all the information for when the legislation was in place for 1 October 2023.
- A paragraph was to be added to ABS, DBS and P60s to alert members to the Matthews second options exercise.
- A paragraph was to be added to P60s regarding The Bereavement Benefits (Remedial) Order 2022 in compliance with the action required in LGA Bulletin

Ch.'s Initials.....

66 (item 8).

- There was little change in Northumberland's data scores which remained static although an additional section had been included on data which would be impacted by the Pension Dashboard. A significant proportion of the errors were due to not having a current address for deferred members and WYPF would be seeking assistance from NCC with updating those records. This list was expected to be provided within the next 6 weeks.
- It had been agreed at the last Fire Client Meeting to share a WYPF template tracing letter to be utilised as part of the stage 1 correspondence with members regarding the Matthews Second Options exercise. This would enable confirmation of addresses before confidential personal or financial data was issued.

The CFO confirmed that the list of lost contacts for deferred members would be prioritised. He was conscious that there had been several changes of software providers for HR and Payroll systems for the relevant period. HS confirmed that tracing agents would be utilised before the Pension Dashboard went live but any internal knowledge would be utilised to reduce the list.

The Board **agreed** to create an Action Log and include the Board Secretary's subscription to Hot Topics.

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 2023
- b) February 2023
- c) March 2023
- d) April 2023

The reports were noted.

8 UPDATED NCC FPS REPORTING BREACHES PROCEDURE AND CONFLICTS POLICY

LN reported that the Conflicts of Interest Policy and Procedure for Reporting Breaches of the Law document had been updated to include his contact details instead of Clare Gorman's. No other changes had been made. (A copy of the Conflicts of Interest Policy and Procedure for Reporting Breaches of the Law were filed with the signed minutes and marked as Item 8).

9 IMMEDIATE DETRIMENT: UPDATE

Immediate Detriment (ID) referred to the position whilst waiting for the Remedy legislation to rectify the age discrimination caused by the transitional protections built into public sector pension schemes, including FPS 2015. (A copy of the summary of was filed with the signed minutes and marked as Item 9).

Ch.'s Initials.....

LN reported that the position had not changed since the meeting on 24 January 2023 when the ID framework guidance had still been awaited.

The current policy had been adopted on 4 May 2022 for 'Category 1' cases to address issues of potential hardship for those members with pensions coming into payment who would be eligible for a higher pension once the age discrimination remedy legislation was in place. As there were no current plans to change that policy between now and 1 October 2023, HS confirmed that the CFO did not have a conflict of interest with regard to his own retirement within the next few months.

10 **MINUTES OF THE WYPF FIRE CLIENT MEETING HELD ON 11 JANUARY 2023**

The Board received a copy of the minutes of the WYPF Fire Client meeting dated 11 January 2023. (A copy was filed with the signed minutes and marked as Item 10).

11 **THE PENSIONS REGULATOR'S SURVEY 2022/23**

A copy of the responses submitted by NCC on The Pension Regulators' survey 2022/23 were presented to the Board for information. The aim of the survey was to understand more about arrangements for administering FPS and the implementation of the age discrimination remedy. (A copy was filed with the signed minutes and marked as Item 11).

The CFO commented that the response was incredibly useful for Board members.

12 **NCC PAYROLL'S FPS EMPLOYER ROLE: UPDATE**

LN reported that an update had been received from the Payroll Team Leader who confirmed that they were working on the Month 12 Year End data which had to be submitted to WYPF by 19 May 2023. She had also stated that they were continuing to work on the data required for McCloud remedy, the deadline for which had been extended to 30 June 2023. (A copy was filed with the signed minutes and marked as Item 12).

In answer to a question, the CFO understood that the Payroll Manager did not foresee any problems meeting the deadline, although it was a large piece of work; they were also ensuring that the data was accurate.

The Board Secretary confirmed that he was now attending the LGA Coffee Morning events. The DCFO suggested that confirmation should be obtained that members of the Payroll Team were also attending on a rota basis, in compliance with the July 2022 update.

The Chair confirmed that this was a standing item to enable the Board to monitor progress, given difficulties in the past. The CFO reported that the Service Director – Finance was also holding regular meetings with the Payroll Manager to monitor the position with regard to pensions.

Ch.'s Initials.....

The DCFO commented that all relevant personnel had been invited to attend the LGA FPS Local Pension Board training arranged to be held on 3 May 2023, including officers from the Fire and Rescue Service, Payroll, HR and Board members.

He added that it would be useful to set out in a structure chart who was involved and their responsibilities which would be useful for the new Board Secretary to liaise with the correct individuals with knowledge and competence to carry out work.

13 **MCLOUD/SARGEANT REMEDY: UPDATE**

Information to address the age discrimination within the Firefighters' Pension Scheme 2015 (FPS 2015) was filed with the signed minutes and marked as Item 13.

LN reported that on 28 February 2023, the Home Office had published a consultation on the Firefighters' Pension Schemes (Remedial Service) Regulations 2023. The LGA had indicated that they would share their response before the consultation closed on 23 May 2023.

HS confirmed that WYPF had arranged an internal meeting approximately one week before the consultation deadline, to consider and incorporate the draft responses from the Scheme Advisory Board and the LGA into the response from WYPF. The WYPF response would be based on the administrative perspective. FRA's may wish to raise different issues, but she agreed to share the response with the Board Secretary to assist him with the response for NCC, as soon as this was practicable.

It was agreed that the Board Secretary would be the primary contact for the completion of surveys on behalf of Northumberland FRA.

14 **MATTHEWS SECOND OPTIONS EXERCISE**

The Board received information on the Matthews second options exercise including extracts from the Firefighters' Pensions Schemes Regulations and Guidance website, Home Office, LGA and the approach taken by NFRS/NCC. (A copy was filed with the signed minutes and marked as Item 14).

LN reported that since the agenda papers had been prepared, the Home Office had released a consultation on the Matthews Second Options exercise. The deadline for responses was mid-June.

15 **SHARED SERVICE CONTRACT BETWEEN NFRS AND WYPF: UPDATE**

The Board received a copy of the sealed contract between NFRS and the City of Bradford Metropolitan District Council as host of the WYPF for the pensions administration service they provided to NFRS. (A copy was filed with the signed minutes and marked as Item 15).

16 **PENSIONS DASHBOARDS**

Ch.'s Initials.....

The Board received an update on Pensions Dashboards from the Parliamentary Under Secretary of State for Pensions. LN reported that additional time was required to deliver the complex technical solution to enable the connection of pension providers and schemes. Originally scheme managers had been required to connect to the Pensions Dashboard by 30 September 2024. (A copy of the statement and information from the FPS SAB, WYPF and extracts from LGA Bulletins were filed with the signed minutes and marked as Item 16).

Although a new connection date had not yet been provided, the Chair was keen that work on the matter continued.

17 **BOARD MEMBER TRAINING PLANS**

The Board were provided with an outline of the training that would be provided by Elena Johnson from the LGA on 3 May 2023 at NFRS HQ West Hartford.

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

A summary of actions arising from the LGA monthly bulletins was included as 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 18).

LN referred to the summary provided by HS under agenda item 6 earlier in the meeting and highlighted the following within the specified bulletins:

- March 2023
 - Delay to the Dashboard connection deadlines as detailed in item no 16.
 - Spring Budget 2023 – completed.
 - Consultation on the Firefighters’ Pension Schemes (Remedial Service) Regulations 2023 - LGA to draft a response.

19 **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 19):

19a **BREACHES IN THE QUARTER TO 31 MARCH 2023**

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

19b **COMPLAINTS, APPEALS, IDRPS IN THE QUARTER TO 31 MARCH 2023**

There were no new issues to report.

19c **DISCRETIONS EXERCISED IN THE QUARTER TO 31 MARCH 2023**

No new discretions had been exercised.

Ch.’s Initials.....

20 **SPRING BUDGET 2023 UPDATE**

An extract from the LGA March 2023 Bulletin provided a summary of the changes proposed by the Chancellor of the Exchequer in his 2023 Spring Budget delivered on 15 March 2023. (A copy was filed with the signed minutes and marked as Item 20).

It was hoped that most of the changes would make the calculation of pensions simpler, with the exception of changes around Lifetime Allowances.

21 **FUTURE MEETING DATES**

The Board was next scheduled to meet on 18 July 2023 at 11.30 in County Hall.

The DCFO queried whether the proposed dates needed to mirror the dates of the South Wales FPS Local Pension Board given the support they would be providing to the new Board Secretary.

The Chair reported that the dates of meetings had been set to follow the SAB cycle. HS commented that the current schedule enabled her to give a verbal update on Fire Client meetings which were generally held before the Northumberland meetings.

LN confirmed that North Wales FPS Local Pension Board had a similar schedule with their meeting being held later the same week. The discussion had also included sharing of resources and reports. He was due to hold a meeting with South Wales to discuss the same matters.

The Board **agreed** that the Board Secretary investigate and compare Board meeting dates after the meeting.

22 **CHANGE IN NCC'S FPS BOARD SECRETARIAT**

The Board considered a report regarding changes to the Board's secretariat. (A copy of the report was filed with the signed minutes and marked as Item 21).

LN reported that he had recently replaced Clare Gorman as Board Secretary following her retirement in March 2023. The role of Board Secretary had been moved to the NCC HR function as LN worked with NFRS on HR matters.

Additional support was to be provided by South Wales FRA and also Aon.

23 **ANY OTHER BUSINESS**

The DCFO referred to the Actions which had been identified during the meeting.

The CFO confirmed that he was continuing discussions commenced by CG on the remuneration of the Chair of the FPS LPB with the Director of Corporate Governance. He agreed to bring an update to the next meeting of the Board.

Ch.'s Initials.....

MR gave his apologies for the LGA training on 3 May 2023. He enquired whether the WYPF disaster recovery exercise had been overseen by an independent body. HS agreed to check with their Head of IT and would report back to LN.

The Chair thanked LN for the preparatory work for his first Board meeting. He commented that the background papers would no longer be included with future agenda papers to reduce the size of the bundle. He encouraged members to refer to previous papers and minutes as only updates would be produced in future.

CHAIR.....

DATE.....

Ch.'s Initials.....