

## 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, 31 October 2023 at 11.30 am.

#### PRESENT

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

#### EMPLOYER REPRESENTATIVES COUNCILLORS

J Beynon (JB)

M Robinson (MR)

#### SCHEME MEMBER REPRESENTATIVE

#### OFFICERS IN ATTENDANCE

G Binning

Chief Fire Officer and Director of Public Protection

C Johnson (virtually)

Principal Accountant

L Nicklen

Lead HR Adviser

H Scargill (virtually)

Client Relationship Manager (WYPF)

N Turnbull

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

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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 Michael Mckendrick and Jan Willis, Executive Director - Transformation and Resources.

**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 18 JULY 2023**

It was noted that the minutes of the meeting of the Firefighters’ Pension Scheme Local Pension Board, held on Tuesday 18 July 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 was pleased with the progress being made with McCloud / Sergeant remedy which was included on the agenda for discussion under agenda item 9.

He commented on the importance of ensuring that Board was fully represented and would ensure that the timing of meetings was taken into account for future meetings.

**5 WYPF BUSINESS CONTINUITY UPDATE (VERBAL UPDATE)**

There was nothing to report under business continuity.

**6 WYPF REPORT TO NCC’S FPS LPB ON 31 OCTOBER 2023**

The Board received a copy of the WYPF report which provided:

- Key points from recent meetings of the Fire Communications Group, Fire Technical Community, Fire Scheme Advisory Board and Fire Quarterly Client meetings. All of the meetings had focussed on the different elements of Remedy, Mathews or valuation although movement on all of these matters was swift and had progressed since the meetings had been held.
- An update on the regulations which had come into force including:
  - The Firefighter’ Pensions (Remediable Service) Regulations (retrospective remedy)

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- The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No.2) Regulations 2023 (to allow compliance with pensions and HMRC tax legislation)
- The Regulations relating to the Matthews 2nd options exercise on Updates from the Home Office, regulations and the DWP and Pensions Dashboard.
- Home Office announcement of incorrect rates issued by HMT CARE Revaluation Rate for 2021 and 2022 and administrators being able to apply amendments and the correct uplift in advance of the Regulations for any new retirements and Remedy calculations.
- Appointment of an Integrated Service Provider for Pensions Dashboards. WYPF were continuing to work to the original timelines despite the delay announced by the SoS for Pensions.
- WYPF Update on Northumberland's monthly returns, Pension Savings Statements, Data Improvement Plan and Data Scores and advice re pension estimates and retirements from 1 October 2023 and impact of members being rolled back into legacy schemes on Annual Allowances and how active and deferred members were to be dealt with.
- 5 Pension Savings Statements had been issued where there was a possible breach of HMRC limit for annual allowance growth by 6 October 2023 deadline. Guidance was contained within LGA Bulletin 73.
- Remedy 'warm up' letters had been sent by WYPF to all active, deferred and pensioner members with some exceptions for retirements on ill-health grounds which would need to be reassessed by the IQMP. Letters to the latter cohort would need to be sent by NCC FRA by 31 December 2023.

The following information was provided in response to questions from Board members.

- FRA's had been notified of the requirement to issue Remedy Warm Up letters via the LGA Bulletins and reminders had been included within WYPF monthly reports. The Chair asked that the Board Secretary check that this was being progressed.
- All members needed to receive the expression of wish form before 31 December 2023. Non-compliance would likely require a breach to be reported to the SAB.
- A copy of the draft WYPF deduction mandate would be provided to the Board Secretary and Payroll Team Leader (KY) to enable a recent retained retirement to be processed.
- Further clarification was provided to the CFO in response to annual allowance breaches and whether action was required by members with different personal circumstances. Additional letters had been sent to members who needed to take further action and HMRC tax self-assessments by January 2024. Information was contained within LGA Bulletin 73.

MR requested that the Board receive an update regarding the numbers of ill-health Remedy Warm Up letters and date of issue to ensure compliance with the 31 December 2023 deadline.

## **7 MONTHLY CLIENT REPORTS FOR NCC FROM WYPF**

Members of the FPS Local Pension Board received a copy of the following

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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) July 2023
- b) August 2023
- c) September 2023
- d) October 2023

The reports were noted.

## 8 **WYPF UPDATE RE ANNUAL BENEFIT STATEMENTS**

LN reported that confirmation had been received from WYPF that all of the Annual Benefit Statements for active members had been issued before the 31 August deadline.

## 9 **CONTINGENT DECISIONS RE SARGEANT REMEDY**

LN provided an update on the contingent decisions that would need to be made regarding buying back pensions for members who opted out of the 2015 scheme. It was noted that members who opted out within 6 months of the remedy period should have their application to buy back remediable services automatically accepted. Anyone who opted out before the 6-month window would also need to provide evidence, such as emails from that period, that their decision to opt out was based on discrimination. Officers would need to consider the application and evidence and determine whether their application for a contingent decision was upheld.

HS understood that further information was to be released by the LGA in the next bulletin regarding contingent decisions, the process and timescales. She suggested that if the decision to opt out had been based on discrimination, the member would not have opted out of the 92 scheme until the latest possible time, in order to maximise their benefits under that scheme.

Members referred to the information on page 103 of the papers from the LGA which stated that a statement would be acceptable. The Board awaited regarding the nature of evidence that would be acceptable.

It was noted that if a contingent decision was upheld, the individual would become a member of the 2006 scheme.

The CFO reported that an application for a contingent decision had been received with a statement, as per the steps referred to on page 103 of the papers, for an imminent retirement. Notification of the decision of the Scheme Manager had not yet been issued to the member.

HS outlined the information that would need to be included as part of the information pack to be sent to the member. Nothing could be issued or processed until the Contingent Decisions Remedial Service Statements (RSS) was received which would contain information regarding the options for

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members. She expected it would be several weeks or months until WYPF could supply contingent decision options. To do this FRA's would need to set out the basis of calculation required e.g. the period the member would like to reinstate a particular scheme from 1 April 2015 until a specified date in a particular scheme and any other periods to be converted until 31 March 2022. She confirmed that WYPF would respond to LN's email following review of the latest LGA Bulletin.

She also stated that FRA's needed to actively look for and write to members who might have an option under contingent decisions and particularly those that had opted out of the 2015 scheme, to make them aware that they could make this election and refer them to the information and processes in place. It was expected that the basic content of letters was likely to be the same but some of the timescales would need to be tailored individually. It was hoped that the next bulletin would provide clarity for members and FRAs.

In answer to a question, the Chair confirmed that the Contingent decision would be made by the Scheme Manager, the Executive Director - Transformation and Resources who held the position of Section 151 Officer as WYPF managed the mechanics regarding the payment of pensions.

#### **10 MATTHEWS SECOND OPTIONS EXERCISE**

The Board received a copy of the LGA indicative timetable following the publication of regulations on 8 September 2023 which came into force on 1 October 2023. (A copy of the LGA indicative timetable was filed with the signed minutes and marked as Item 10).

LN referred to the examples of reasonable endeavors suggested by the LGA which FRAs could utilise to contact persons in scope.

It was noted that posters had been placed within fire stations to raise awareness of the Matthews second options exercise.

The CFO reported that a spreadsheet was to be set up by the Board Secretary and ACFO to track every communication mechanism used by the FRA to record with dates what methods had been used, if they had worked/generated responses, and feedback. This would be extremely useful to defend any future IDRPs cases and provide evidence that the FRA had used all reasonable endeavours for any retrospective scrutiny.

#### **11 MINUTES OF THE WYPF FIRE CLIENT MEETING HELD ON 26 JULY 2023**

The Board received a copy of the minutes of the WYPF Fire Client meeting dated 26 July April 2023. (A copy was filed with the signed minutes and marked as Item 11).

Minutes were awaited for the most recent meeting which had been held the previous week.

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

The Board received confirmation from the Payroll Manager that year end queries

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had been completed, monthly returns were being submitted by deadlines with queries dealt with in a timely manner.

### 13 **UPDATE ON REMEDY PROCESSING**

Confirmation had been received that WYPF had issued Sergeant Remedy 'warm up' letters to all members in scope with the exception of ill-health retirement cases. Included within the papers was the LGA indicative timetable for the processing of cases for pensioner members with ill health cases being prioritised.

HS commented that:

- The timetable would be followed by WYPF, to the best of their ability, although they could not process cases where they did not have all of the data. The process and timetable had been agreed nationally and approved by the Fire SAB which included representatives from employers and trade unions.
- It was noted that the amounts payable under ill health grounds could differ significantly if a member moved from one scheme to another.
- Category 2 cases for retired members would be processed with the most recent retirements being dealt with first as they would have a longer period of service membership in the 2015 scheme and therefore a greater period to remedy and likely to be experiencing the biggest financial detriment.
- The cases identified as a lower priority, where the financial detriment was not as great, would be entitled to 8% interest on any lump sum arrears and arrears of pension. This was likely to be a higher rate of interest than if they had been paid sooner and the money had been placed in savings or investments elsewhere.
- There were circa 400 Category 2 cases across all of WYPF's clients.

The Board agreed that this was the most logical and kindest way to prioritise the workload and processing of cases.

### 14 **ANNUAL LOCAL PENSION BOARD REPORT TO AUDIT COMMITTEE**

It was noted that the Annual Report of the NCC FPS Local Pension Board for 2021/22 was to be reported to the Audit Committee on 29 November 2023. (A copy was filed with the signed minutes and marked as Item 14).

The Chair confirmed that the format was similar to the report adopted in previous years and provided a summary of activity for the previous financial year. He apologised that it had been produced slightly later than normal, due to staffing changes.

In answer to a question, the Chair confirmed that the date of resolution would be checked for the recent 'IDRP case' and documented within the annual report. It was noted that the aforementioned case had been resolved with an offer to the member without going through the full formal process / hearing.

### 15 **UPDATED REPORTING BREACHES POLICY (SEPT 23)**

LN reported that the Procedure for Reporting Breaches of the Law had been reviewed by AON. AON provided actuarial advice and guidance to the NCC

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FRA. The document had been updated to reflect changes to guidance and the contact details for the new Monitoring Officer. The policy was expected to be signed off by the Scheme Manager imminently. (A copy of the Procedure for Reporting Breaches of the Law was filed with the signed minutes and marked as Item 15).

**16 UPDATED CONFLICT OF INTEREST POLICY (SEPT 23)**

LN reported that the Conflicts of Interest Policy had also been updated by AON, similar to agenda item 15, to reflect changes to guidance and the contact details for the new Monitoring Officer. The policy was expected to be signed off by the Scheme Manager imminently. (A copy of the Conflicts of Interest Policy was filed with the signed minutes and marked as Item 16).

**17 ACTIONS FOR FRAS: BOARD FOLLOW UP – INTRODUCTION OF ACTION AND DECISION LOG**

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 17).

The Chair commented that following discussion at the previous meeting, a live spreadsheet had been created by the Board Secretary and ACFO to aid monitoring of actions. It was noted that no actions were colour coded red or identified as outstanding / off track.

HS queried the position regarding the financial extracts and whether a revised version had been received from the Payroll Team Leader (line 19 of page 159). LN referred to the Payroll Update (agenda item 12) which stated that Remedy information had been submitted and no feedback had been received from WYPF. HS confirmed that she would follow this up with the Payroll Team Leader as she was unable to locate an email regarding possible queries.

**18 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 18):

**18a BREACHES IN THE QUARTER TO 30 SEPTEMBER 2023**

It was noted that no new breaches had been identified.

**18b COMPLAINTS, APPEALS, IDRPS IN THE QUARTER TO 30 SEPTEMBER 2023**

There were no new issues to report.

**18c DISCRETIONS EXERCISED IN THE QUARTER TO 30 SEPTEMBER 2023**

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No new discretions had been exercised.

## 19 **FUTURE MEETING DATES**

The Board was next scheduled to meet on 23 January 2024 at 11.30 in County Hall.

The Board Secretary confirmed that he and the DSO would be looking at meeting dates for 2024/25 and would endeavour to avoid school holidays to enable participation by all members of the Board.

## 20 **ANY OTHER BUSINESS**

The CFO commented that he had arranged to meet the Deputy 151 Officer on 13 November 2023 to discuss the role of the Scheme Manager and closer interaction with the Board. He explained that in future the Interim ACFO would be involved in Board meetings and that he would step back to separate his role, following his promotion from DCFO to CFO.

The Chair confirmed that the role of the Scheme Manager was set out in the Board's Constitution and was carried out by the Section 151 Officer in consultation with the CFO.

The Board were in agreement and expressed their support that a meeting be held between the CFO and Section 151 Officer to ensure appropriate representation at Board meetings and in relation to decisions on Firefighter FPS matters, for example, Contingent Decisions. The CFO agreed to report back to members.

Members of the Board agreed that it was useful to have a senior officer from NCC FRS at meetings, but it was important to ensure there were no conflicts of interest.

HS agreed with the steps that were being taken and that it was good practice to have an officer in attendance from the FRS with knowledge of pension matters to provide a link between NCC, the Board and fire processing. She suggested that the CFO, due to his other duties, was perhaps not the most appropriate officer.

MR sought confirmation that the financial implications of fire pension related matters discussed by the Board had been raised with senior officers in NCC in order that they could be accounted for in the budget setting process.

The Chair stated that reassurance had been sought on several occasions to ensure that the Council had resources in place to deal with Remedy.

The CFO confirmed that reserves had been set aside for the costs associated with remedy. He also made reference to the change in Board Secretary and support available from South Wales FRS and actuarial advice from AON. He would check with the Scheme Manager as to whether any risks were being managed sufficiently and if not, how this would be addressed through additional support or draw down of additional reserves. The results of the bid for additional

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capital funding from reserves would be reported to a future meeting of the Board.

The Chair stated that once the Annual Report of the Firefighters' PS LPB 2022-23 had been received by the Audit Committee, he would also seek a meeting with the Section 151 Officer as Scheme Manager.

**CHAIR**.....

**DATE**.....

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