

**NORTHUMBERLAND COUNTY COUNCIL  
AUDIT COMMITTEE**

<p><b>ANNUAL REPORT OF THE FIREFIGHTERS' PENSION SCHEME LOCAL PENSION BOARD 2022-2023</b></p>
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**1. Introduction**

This is the annual report of the Northumberland County Council Firefighters' Pension Scheme (**FPS**) Local Pension Board ("**the Board**"), which was constituted in 2015 as part of changes introduced by the Public Service Pensions Act 2013. It is the intent of the Board to use the annual report to inform the **Scheme Manager** (i.e. NCC's S151 Officer in consultation with the Chief Fire Officer) of NCC's data on FPS membership, statement of accounts, and issues progressed through the Internal Disputes Resolution Procedure (**IDRP**) and Fire Disputes Panel.

**2. Membership and attendance**

During 2022/23 the Board had the following members:

Chair	Stephen Richards	(FPS Member Representative)
Member	Guy Tiffin	(FPS Member Representative) <i>2015 Until September 2022</i>
Member	Amanda Cregin	(FPS Member Representative) <i>October 2022 until April 2023</i>
Member	Michael McKendrick	(FPS Member Representative)
Member	Councillor John Beynon	(Employer Representative) <i>From November 2021</i>
Member	Councillor Malcolm Robinson	(Employer Representative) <i>From November 2021</i>

<b>Attendance</b>	<b>15 July 2022</b>	<b>24 January 2023</b>	<b>25 April 2023</b>	<b>18 July 2023</b>
Stephen Richards	✓	✓	✓	✓
Guy Tiffin	x	Resigned	Resigned	Resigned
Amanda Cregin	Appointed October 22	✓	✓	Resigned
Michael McKendrick		Appointed May 23		✓
Councillor John Beynon	x	x	x	x
Councillor Malcolm Robinson	x	✓	✓	✓

For quorum, at least one member representative and at least one employer representative must be present.

NCC transferred its FPS administration service to West Yorkshire Pension Fund (WYPF) in March 2018. Helen Scargill, Client Relationship Manager at WYPF, or a substitute, has attended Board meetings in 2022/23 to provide information.

### 3. Purpose

The purpose of the Board is set out in the Board's Terms of Reference and described at the initial Board meeting as follows:

- The Board has a monitoring role in the IDRP and the Fire Disputes Panel processes. It aims to identify repeat patterns of complaints taken through these processes.
- The Board receives reports on membership of the Scheme.
- The Board receives reports on the statement of accounts to monitor the level of the Annually Managed Expenditure grant.
- The Board monitors, via LGA bulletins and officer reports, changes to central Government policy and intent with regard to pensions.

The Board tracks these issues over time and reports to the Scheme Manager, annually. The Board Chair holds a meeting, annually, with the Scheme Manager or his/her appointed deputy.

The Board recognises that it is not responsible for the day-to-day management of NCC's FPS administration nor does it perform the role of arbiter in disputes. Its role is to **assist** the Scheme Manager and it is **not a decision making** body.

### 4. Progress

#### 4.1 The following matters have been discussed by the Board in 2022/23:

- Updates on the government's plans to remove age discrimination (known as **McCloud/Sargeant**) from the FPS and the implications for the Scheme Manager and administrator. **Prospective** discrimination was removed by legislation introduced in the year for future benefits built up from 1 April 2022. Age discrimination will be removed **retrospectively** for benefits built up during the period of discrimination from 1 April 2015 to 31 March 2022, with legislation expected in October 2023.
- Government proposals to remove discrimination against part-time firefighters (known as the **Matthews second options exercise**) and the implications for the Scheme Manager and administrator.
- The Firefighters' Pension Scheme Advisory Board's self-assessment survey to assess FRAs' readiness for the challenges posed by the McCloud/Sargeant work and the Matthews second options exercise.
- Updates on government guidance and proposed implementation of Pensions dashboards and the potential impact and pre-work needed to be done by the FRA in conjunction with WYPF.
- The record of FPS breaches and errors.
- Monthly updates from the FPS Advisory Board and the LGA, ensuring the LGA "actions for fire and rescue authorities" have been carried out by the Scheme Manager.
- NCC's monthly client reports provided by WYPF and minutes of the WYPF quarterly meetings held for its FPS clients.
- Monthly monitoring of Key Performance Indicators provided by WYPF.

- The timely issue of FPS Annual Benefit Statements and Pensions Savings Statements.
- Reports on NCC's membership of the FPS.

#### **4.2 FPS administration service**

From 1 March 2018 the administration of the FPS has been undertaken for NCC through a shared service arrangement with WYPF. The Board provided oversight of the service provided by WYPF during 2022/23.

The shared service with WYPF has provided operational resilience to NCC. NCC's FPS members now have access to their pension records via an online portal. WYPF has been proactive in improving communication with members.

In accordance with best practice WYPF has a Data Improvement Plan in place to continually assess and improve data scores, within the FPS membership data.

WYPF provides FPS administration services, on a shared costs basis, to (now) approximately half the Fire and Rescue Authorities in England. WYPF had 10 clients when it took on NCC in 2018, and now has 23 clients (in September 2023, when this report was finalised).

WYPF has kept the Board informed as it has planned to and increased resources to ensure service delivery to existing clients is unaffected by its increasing client base.

WYPF is a well-respected FPS industry expert, with a presence on technical and communication groups, and links to the FPS Advisory Board.

#### 4.3 Most recent data scores for NCC's FPS membership data

	Common data	Scheme specific
		September 2023
FPS 1992 Scheme	99.42%	98.26%
FPS 2006 Scheme	95.24%	100%
FPS 2015 Scheme	99.15%	91.08%
		November 2022
FPS 1992 Scheme	99.42%	98.26%
FPS 2006 Scheme	93.4%	97.17%
FPS 2015 Scheme	99.12%	92.05%
		November 2021
FPS 1992 Scheme	98.99%	97.76%
FPS 2006 Scheme	94.44%	99.07%
FPS 2015 Scheme	98.92%	94.88%

#### 5. Training

In prior years, Board members have attended comprehensive training on the FPS benefits and the role of the Board in FPS governance provided by the LGA.

The Board has access to advice from LGA and LGA's library of guides and the Pensions Regulator's toolkit training. The LGA's monthly bulletins are provided to Board members.

All board members, with the exception of councillors, attended an LGA training day in 2023, which gave a background to FPS and in-depth training and updates on ongoing matters in pensions.

#### 6. Risks

An area of particular interest to the Board is the awareness of any risk factors which may impact upon the FPS.

The Board reviewed NCC's FPS risk register in 2019/20 and considers risk, and changes to risk, at each meeting.

## 7. NCC's FPS information in the year to 31 March 2023

### 7.1 Extract from NCC's draft Statement of Accounts 2022/23

2021-22	Fund Account	2022-23
£000		£000
	Contributions:	
1,821	From employer - normal	2,025
-	- From employer - ill health	-
809	From members	902
<b>2,630</b>		<b>2,927</b>
	Transfers in:	
484	Individual transfers from other schemes	1,140
<b>3,114</b>		<b>4,067</b>
	Benefits:	
(5,878)	Pensions	(6,143)
(962)	Commutations and lump sum retirement benefits	(584)
(53)	Other eligible expenditure - scheme pays	(101)
<b>(6,893)</b>		<b>(6,828)</b>
<b>3,779</b>	<b>Net amount payable before top-up grant</b>	<b>2,761</b>
(3,779)	Top-up grant payable by the Government	(2,761)
	<b>- Net Amount Payable for the year</b>	<b>-</b>
31 March 2022	Net Assets Statement	31 March 2023
£000		£000
	Current assets:	
121	Top-up grant receivable from the Government	
	Amount receivable from the General Fund	924
	Current liabilities:	
	Top up grant owed to the Government	(924)
(121)	Amount payable to the General Fund	
-		-

## 7.2 Membership of FPS in NCC as at 31 March 2023

Scheme	Actives	Deferreds	Pensioners	Beneficiaries	Leave options pending
<b>As at 31 March 2023</b>					
<b>1992 Scheme</b>	3	17	286	51	0
<b>2006 Scheme</b>	1	126	14	4	0
<b>2006/RDS Scheme</b>	2	20	36	1	0
<b>2015 Scheme</b>	298	31	8	0	5
<b>2015/RDS Scheme</b>	7	93	0	0	0
<b>As at 31 March 2022</b>					
1992 Scheme	6	18	283	46	0
2006 Scheme	6	84	12	4	0
2006/RDS Scheme	3	13	33	1	0
2015 Scheme	260	113	3	0	7
2015/RDS Scheme	4	3	2	0	0
<b>TOTAL</b>	<b>279</b>	<b>231</b>	<b>333</b>	<b>51</b>	<b>7</b>
<b>As at 31 March 2021</b>					
1992 Scheme	12	18	279	50	0
2006 Scheme	7	87	8	4	0
2006/RDS Scheme	6	13	31	1	0
2015 Scheme	213	100	1	0	5
2015/RDS Scheme	3	3	2	0	0
<b>TOTAL</b>	<b>241</b>	<b>221</b>	<b>321</b>	<b>55</b>	<b>5</b>
<b>As at 31 March 2020</b>					
1992 Scheme	21	19	278	53	0
2006 Scheme	7	87	8	4	1
2006/RDS Scheme	8	13	30	1	0
2015 Scheme	231	78	1	0	0
2015/RDS Scheme	5	3	0	0	0
<b>TOTAL</b>	<b>272</b>	<b>200</b>	<b>317</b>	<b>58</b>	<b>1</b>
<b>As at 31 March 2019</b>					
1992 Scheme	32	22	269	52	0
2006 Scheme	10	86	6	4	4
2006/RDS Scheme	11	15	28	1	0
2015 Scheme	197	51	0	0	2
2015/RDS Scheme	3	3	0	0	0
<b>TOTAL</b>	<b>253</b>	<b>177</b>	<b>303</b>	<b>57</b>	<b>6</b>
<b>As at 31 March 2018</b>					
1992 Scheme	48	21	260	55	0
2006 Scheme	9	117	6	4	4
2015 Scheme	174	57	0	0	0

TOTAL	231	195	266	59	4
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### **Pensions into payment**

	<b>Age retirements</b>	<b>Ill-health retirements</b>
During 2022/23	4	0
During 2021/22	13	0
During 2020/21	14	2
During 2019/20	10	0
During 2018/19	13	0
During 2017/18	9	0

### **Optants out**

There were 13 opt outs during 2022/23.

### **7.3 Breaches of the law recorded in the year to 31 March 2023**

The Board did not consider any breaches of the law in 2022/23.

During 2022/23, WYPF provided monthly reporting on the FPS administration processes undertaken on NCC's behalf against the legal timeframes: this showed no breaches of the law had occurred.

### **7.4 Appeals**

There was one case settled financially in January 2023 which was initially an IDRP complaint regarding access to the Modified pensions scheme.

## 8. General

The Board aims to add value by assisting the Scheme Manager through scrutinising the FPS risk register and monitoring the breaches log. The role of the Board has developed and continues to do so as the FPS Advisory Board and the Pensions Regulator both develop their views and guidance.

Finally, I would like to thank Clare Gorman for being instrumental in setting up the FPS Local Pension Board and for many years of support. Lewis Nicklen for providing technical support in the role as Board Secretary and Nichola Turnbull for administrative support to the Board.

A handwritten signature in cursive script that reads "S. Richards".

S. Richards  
Chair of the FPS Local Pension Board

Reported to NCC Audit Committee on: