

## **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, 20 October 2020 at 10.00 a.m.

#### **PRESENT**

S Richards  
(Chair, in the Chair)

#### **SCHEME MEMBER REPRESENTATIVE**

Tiffin, G (GT)

#### **EMPLOYER REPRESENTATIVES COUNCILLORS**

Robinson, M (MR)

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

#### **OBSERVER**

Fox, A (AF)

FBU Observer

#### **Definition of Terms**

ABS  
CARE  
Common Data

Annual Benefits Statement  
Career Average Revalued Earnings  
E.g. name, address and date of birth, held  
for pensions processing  
Firefighters' Pension Scheme  
Fire and Rescue Authority  
Government Actuary's Department  
Guaranteed Minimum Pension  
HM Treasury

FPS  
FRA  
GAD  
GMP  
HMT

Ch.'s Initials.....

HO	Home Office
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
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 were received from G Tiffin (Scheme Member Representative). He hoped to attend the meeting but was likely be late due to attending a call.

## 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.

G Tiffin was present at the meeting from this point onwards.

## 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 July 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:

- Joanne Livingston had recently been appointed as the Chair of the SAB.
- Most of the pension administration staff at WYPF were working from home and processes were working well.
- Issues with information supplied by NCC to WYPF in order to put certain FPS members' pensions into payment was to be discussed as part of agenda item 13, with the aim of avoiding similar errors being made by NCC for future retirements.

## **5. WYPF Business Continuity and COVID-19 Update**

- Paying pensions
- Maintaining records
- Member/employer communications

HS reported that, following feedback, the 'daily' payroll run which had been reduced to a weekly run on a Thursday, was now also being run on a Monday.

## **6. WYPF Report to NCC's FPS LPB on 20 October 2020**

HS highlighted the following:

- Fire Communications Meeting 07.09.20 – discussion had focused on the Government's McCloud/Sargeant Remedy Consultation and the production of guidance for Immediate Detriment. It was hoped that a new website for FPS members with all pertinent information held in one central location would be in the testing phase by the end of December 2020 and live 6 months later.
- Fire Technical Community 22.09.20 – the Home Office continued to work to establish which members would be in scope. Responsibility lay with employers to determine Special Responsibility Allowances (SRAs) to implement the decision of the Matthews case.
- Annual Conference – slides available in Bulletin 37.
- Fire Quarterly Client Meeting 15.07.20 – WYPF would have 3 new FRA clients from 1 December 2020 and new posts to be filled following a restructure, to improve resilience within WYPF's FPS Administration Service. WYPF to review cases following the release of guidance on Automatic Linkings within the 2015 Scheme.
- Remedy – Consultation ended on 11.10.20.
- WYPF Update – All Deferred Benefit Statements and Annual Benefit Statements for NCC's members issued by 31 August 2020 deadline. Pension Savings Statements for 8 members who had breached the annual allowance threshold for 2019/20, had been issued before the 6 October 2020 deadline.
- Monthly Returns – these were still not being submitted by NCC's Payroll Service to WYPF. HS added that receipt of monthly payroll data would mean that discrepancies, such as those reported in agenda item 13, would be easier (for WYPF) to detect. It was expected that implementing the McCloud/Sargeant Remedy would be a logistical challenge for NCC's Payroll Service as information would be required back to 2012. The issue was to be reported to the Service Director – Finance.

## **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 each report included: Regulations, Member Issues, Administration Update including Member Web registrations, Membership Numbers and Key Performance Indicators (KPIs).

- a) July 2020

- b) August 2020
- c) September 2020
- d) October 2020

## **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.

CG highlighted:

- a) SAB COVID-19 webpage
  - Page 91 – emphasis on disruption to service and allowing electronic signatures. The SAB extracts confirmed the deadline of 31 December 2020 for administrators to submit data for the 2020 valuation of the FPS by GAD.
- b) tPR COVID-19 scheme administration guidance
  - Reporting of breaches had been temporarily suspended but had been reimplemented on 1 July 2020.
- c) PASA COVID-19 Guidance for Administrators
  - Page 95 – Focus was now on adapting and evolving processes in the new working environment.

## **9. Restricting exit payments to the £95k cost cap**

CG explained that a restriction on public sector exit payments was due to come into effect shortly and would apply to all public sector pensions. For the FPS, early retirement initiated by a scheme employer would be exempt, however, for the 2006 and 2015 schemes (in some circumstances) the retirement lump sum could be reduced unless a change in the Regulations was implemented. This had been brought to the attention of the Home Office.

HS confirmed that the overarching legal change (applicable to all public sector schemes) would be effective from November 2020. Due to the small number of FPS members likely to be affected, it was not expected that the necessary change in the FPS Regulations would be given a high priority.

## **10. HM Treasury consultation on McCloud/Sargeant Remedy and paused cost cap, published 16 July 2020, and explanation for members on ABSs**

HS provided a summary of the HMT consultation arising from the need to remove the age discrimination in public sector pension schemes, and an update on the employer cost cap process.

Under the proposed Remedy, a choice would be offered to members on whether to receive benefits from the legacy (final salary) schemes or the reformed CARE

pension schemes for their service between 1 April 2015 and 31 March 2022.

- Protection was to be given to all scheme members who were active members on 31 March 2012 and backdated for qualifying members who have left the scheme since the protected period started.
- The protected period runs from 1 April 2015 to 31 March 2022.
- The consultation considered 2 options
  - Immediate Choice – where the member would make his/her decision soon after 1 April 2022.
  - Deferred Choice – where the member would make his/her decision when taking his/her benefits. This would have a greater impact on the workload for administrators due to the information required, and lead to a higher cost to scheme employers. Annual allowances would need to be reassessed for active members and also for members who had already retired.
- The employer cost cap process, which had been paused, was due to be restarted and expected to be completed by HMT during the following year.

The Chair agreed that the consequences and implications of the Remedy proposals needed to be brought to the attention of the Service Director – Finance, as soon as possible, in order that the Payroll Section could be adequately prepared and resourced.

## **11. Template administration strategy consultation and NCC's response**

The SAB had commissioned work to develop a draft template Administration, Management and Governance Strategy which could be tailored and adopted by FRAs. A copy of NCC's response to the draft strategy was filed with the signed minutes and marked as Item 11.

CG had reviewed the draft template Strategy and reported that whilst, in her view, some sections were comprehensive and clear, in other areas the terminology and responsibilities of the roles of employers and scheme employers were muddled. She also noted that there was no reference to GDPR legislation in the template, which was a serious omission.

Aon, who had carried out the earlier review on behalf of the SAB of FPS administration and management standards, had recommended that the draft template be developed, but had not been involved in preparing the consultation document or invited to comment. CG had obtained Aon's initial thoughts on it, a copy of which was included within the papers.

CG concluded that the draft template Strategy required further work (by SAB) and further consultation.

## **12. Minutes of the WYPF Fire Client meeting held on 15 July 2020**

The Board received a copy of the minutes of the WYPF Fire Clients meeting dated 15 July 2020.

The Board **noted** that Internal Quality Audits (ISO 9001) had been undertaken

at WYPF (covering the Local Government Pension Scheme as well as the FPS administration services provided at WYPF) in the following areas:

- a) Diary Control System to verify entitlement to Children's Pensions
- b) Divorce
- c) General Payroll Maintenance

There had been no nonconformity issues raised and responses to Internal Audit's observations and actions had been agreed.

The Board **gained assurance** from the Bradford Council's Internal Audit work undertaken and the findings.

### **13. NCC Payroll issues re Mr B, Mr C and Mr G's retirements in August 2020 and follow up**

The Chair was pleased to report that after issues had been brought to the attention of the Board Secretary and escalated within NCC (relating to three August 2020 retirements), errors had been rectified for the affected FPS members and their pensions had been put into payment. The issues had arisen because incorrect forms being completed and errors made in the pensionable pay provided by NCC Payroll to WYPF.

GT reported that he had made enquiries on behalf of five members and he was still trying to obtain clarification for one, as elements of pay relating to day staffing had not yet been provided by NCC Payroll to WYPF. He added that it had been a particularly distressing and anxious time for the individual member who had been told, incorrectly, that he was not entitled to receive an ill-health pension because incorrect information had been supplied by NCC to WYPF.

GT expressed concern that members of the NCC Payroll Team were insufficiently familiar with the FPS to submit the correct information to WYPF to ensure that WYPF had the data to pay the correct pension, without queries and delays.

CG requested that GT provide details, after the meeting, of the two additional members' circumstances which he had referred to. She confirmed that there was no disagreement between WYPF and NCC Payroll that the errors had occurred because NCC had supplied incorrect data to WYPF. HS had offered to provide a training session to NCC Payroll back in August, but a suitable date had not been found. HS repeated the offer of training and added that she expected a date for this would be agreed shortly.

The Chair also made reference to the submission of monthly payroll data by NCC to WYPF, which had not yet commenced. The delay had been due to the implementation of a new payroll system at NCC.

Members of the Board expressed concern regarding the accuracy of payroll data following recent errors and wished to see this progressed.

The Board **agreed** that an email would be sent by the LPB Chair to the Chief Fire Officer and Service Director – Finance to bring these matters to their

attention to seek assurances that the problems would not be repeated and monthly payroll data submissions would be implemented without further delay.

**14. Actions for FRAs: Board follow up**

CJ reported that this was now a standing item on agendas to ensure any action from SAB bulletins was followed up appropriately. (A copy was filed with the signed minutes and marked as Item 14).

He confirmed that actions identified within the monthly bulletins for July and August had been implemented.

**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 15):

**(a) Breaches in the quarters to 30 September 2020**

It was noted that the errors reported in agenda item 13 had been added to the breaches log, although technically no breaches had occurred as the members had been paid the correct pensions within the legal timeframes, however it had been a “near-miss” so it was important to have it logged.

**(b) Scheme administration, complaints, appeals, IDRPCs**

There were no new issues to report.

**16. 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 28 January 2021.

**17. Any other business**

GT sought clarification of the position of a member who had joined the FPS at a late stage in his career. HS confirmed that the member would need to wait for the McCloud/Sargeant Remedy to be agreed, the effect of which was that he should not be put in a worse position.

HS reported that she would be sending forms to be completed to NM to collect salary and pension contributions data from NCC to be fed into the 2020 FPS actuarial valuation process.

(The meeting ended at 11.05 a.m.)

**CHAIR** S Richards

**DATE** 26 November 2020