

ANNUAL REPORT OF THE FIREFIGHTERS' PENSION SCHEME LOCAL PENSION BOARD 2019-2020
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1. Introduction

This is the fifth 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 Chief Financial officer and Chief Fire Officer) of the current FPS data for NCC with regard to membership, statement of accounts, and issues progressed through the Internal Disputes Resolution Procedure (IDRP) and Fire Disputes Panel.

2. Membership and attendance

During 2019/20 the Board consisted of the following members:

Chair	Stephen Richards	(FPS Member Representative)
Vice-Chair	Councillor Ian Swithenbank	(Employer Representative)
Member	Councillor Malcolm Robinson	(Employer Representative)
Member	Guy Tiffin	(FPS Member Representative)

Attendance at the meetings held on	22 October 2019	14 January 2020	21 April 2020
Stephen Richards	✓	✓	✓
Councillor Ian Swithenbank	✓	x	✓
Councillor Malcolm Robinson	✓	✓	✓
Guy Tiffin	✓	✓	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 has attended each Board meeting during 2019/20 to provide information and explanations to the Board.

3. Purpose

The purpose of the Board was agreed at the initial Board meeting.

- The Board has a monitoring role in the IDRPs 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 (AME) 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 (i.e. the Chief Financial Officer and the Chief Fire Officer).

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 2019/20:

- Due to the COVID-19 pandemic and lockdown measures put in place by central Government, WYPF's business continuity plan was considered in detail to ensure the following were being prioritised, in line with up to date guidance:
 - payment of benefits
 - processing of deaths
 - putting new retirements into payment, and
 - minimising the risk of scams;
- Implications of the merger of Northumberland County Council Pension Fund for the governance arrangements of the Board;
- Progress on the developments of the McCloud/Sergeant remedy for the Scheme;
- NCC's FPS risk register and changes to Scheme risks during the year;
- NCC's initial work to check payroll records, from 2007, to identify members who may be entitled to split pensions (i.e. two pensions)
- The record of FPS breaches and errors;
- Monthly updates from the FPS Advisory Board;
- Monthly Client Reports for NCC from WYPF;
- Monthly monitoring of Key Performance Indicators provided by WYPF;
- The timely issue of FPS Annual Benefit Statements and Pensions Savings Statements;
- Reports on membership of the FPS; and
- The Pensions Regulator (TPR) annual return and annual survey.

4.2 FPS administration service

From 1 March 2018 the administration of the FPS for NCC has been undertaken through a shared service agreement with WYPF. The Board provided oversight of the service provided by to WYPF during 2019/20.

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.

Following TPR's recommendations, WYPF has put a Data Improvement Plan in place improve data scores, within the FPS membership data, as illustrated below.

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

	Common data		Scheme specific
		September 2019	
FPS 1992 Scheme	99%		89%
FPS 2006 Scheme	97%		98%
FPS 2015 Scheme	100%		100%
		November 2018	
FPS 1992 Scheme	88%		75%
FPS 2006 Scheme	83%		72%
FPS 2015 Scheme	35%		90%

5. Training

Board members have attended training on the FPS benefits and the role of the Board in FPS governance provided by the Local Government Association (**LGA**). The Board has access to advice from LGA and LGA's library of guides.

TPR's toolkit training is available for Board members to use.

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 2020

7.1 Extract from NCC's draft Statement of Accounts 2019/20

2018-19 £000	Fund Account	2019-20 £000
	Contributions:	
950	From employer - normal	1,787
778	From members	794
1,728		2,581
	Transfers in:	
-	Individual transfers from other schemes	6
1,728		2,587
	Benefits:	
(5,330)	Pensions	(5,540)
(1,625)	Commutations and lump sum retirement benefits	(1,472)
(6,955)		(7,012)
	Payments to and on account of leavers:	
(5)	Individual transfers to other schemes	-
5,232	Net amount payable before top-up grant	4,425
-	Grant received for 1992 Contributions Holiday	-
(5,232)	Top-up grant payable by central Government	(4,425)
	- Net Amount Payable for the year	-

31 March 2019 £000	Net Assets Statement	31 March 2020 £000
	Current assets:	
1,448	Top-up grant receivable from central Government	1,173
	Current liabilities:	
(1,448)	Amount payable to the General Fund	(1,173)

7.2 Membership of FPS in NCC as at 31 March 2020

Scheme	Actives	Deferreds	Pensioners	Beneficiaries	Leave options pending
As at 31 March 2020					
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
TOTAL	272	200	317	58	1
As at 31 March 2019					
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
TOTAL	253	177	303	57	6
As at 31 March 2018					
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

Pensions into payment

Pensions into payment	Age retirements	Ill-health retirements
During 2019/20	10	0
During 2018/19	13	0
During 2017/18	9	0

Optants out

As at **31 March 2020** there were 115 assignments not in the FPS, of whom 102 are retained firefighters and 13 are whole-time firefighters.

As at **31 March 2019** there were 115 assignments not in the FPS, of whom 97 are retained firefighters and 18 are whole-time firefighters.

As at **31 March 2018** there were 116 assignments not in the FPS, of whom 100 are retained firefighters and 16 are whole-time firefighters.

7.3 Breaches of the law recorded in the year to 31 March 2020

The Board reviewed one error and one breach of the law relating to the administration of the FPS in NCC which had been recorded in the year ended March 2020. The breach occurred as a result of the six 2006 RDS Modified Scheme Annual Benefits Statements (ABSs) being issued after the legal deadline. The late ABSs were issued within two months of the deadline. The Board received assurances that system changes, implemented by WYPF, should prevent the ABSs being late again next year.

Notwithstanding the fact that WYPF reported the breach to TPR in 2019, in the view of the Scheme Manager and the Board, the breach was not of material significance and therefore was not reportable to TPR.

7.4 Appeals

There were no appeals in the year.

8. General

The Board aims to continue 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 TPR both develop their views and guidance.

During 2019/20, I increased the number of meetings held from two per year to four per year, to comply with TPR's recommendations. This has been beneficial as meetings are now shorter and issues can be dealt with on a more timely basis.

The Board's Terms of Reference allow for virtual meetings, so there were no meeting cancellations caused by the COVID-19 lockdown measures.

Finally, I would like:

- to thank Andrew Lister for providing technical support in his role as Board Secretary and Nichola Turnbull for administrative support to the Board, and
- to wish Andrew well in his new role, from June 2020, working for Tyne and Wear Pension Fund.

S. Richards
Chair of the FPS Local Pension Board

Reported to NCC Audit Committee on: 29 July 2020