

**NORTHUMBERLAND COUNTY COUNCIL FPS LOCAL PENSION BOARD**  
**Board Meeting 22 July 2021**

**ANNUAL REPORT OF THE  
 FIREFIGHTERS' PENSION SCHEME  
 LOCAL PENSION BOARD  
 2020-2021**

**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 current FPS data on membership, statement of accounts, and issues progressed through the Internal Disputes Resolution Procedure (IDRP) and Fire Disputes Panel.

**2. Membership and attendance**

During 2020/21 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)

<b>Attendance</b>	<b>21 July 2020</b>	<b>20 October 2020</b>	<b>28 January 2021</b>	<b>20 April 2021</b>
Stephen Richards	✓	✓	✓	✓
Councillor Ian Swithenbank	✓	✓	✓	
Councillor Malcolm Robinson	x	✓	✓	✓
Guy Tiffin	x	✓	✓	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 2020/21 Board meeting to provide information.

Ashley Fox has attended some 2020/21 Board meetings as an observer, as part of the FBU's succession planning for Guy Tiffin, FPS member representative.

### **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 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 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 2020/21:**

- The Chair raised the Board's concerns with the Deputy Section 151 Officer over problems caused for three of NCC's FPS retirements in 2020 following **errors** (later corrected) and delays in the pensionable pay data submitted by NCC's Payroll Section to WYPF. The Deputy Section 151 Officer's response ensured staff training was undertaken and processes put in place to prevent similar future issues.
- As a result of the Board's intervention described above and to improve data quality, the Deputy Section 151 Officer ensured that NCC's Payroll Section progressed from annual to **monthly** FPS contribution postings (submitted to WYPF) with effect from April 2020.
- The Board received updates on the government's consultation and proposals to remove age discrimination from the FPS, and the implications for the Scheme Manager and administrator of operating the deferred choice underpin. Primary and secondary legislation to implement the **remedy** to remove age discrimination in the FPS is expected in 2022.
- The Board reviewed the LGA's risk register on remedy and members noted the volume and complexity of work that would be required, particularly by NCC's Payroll Section and WYPF as administrator, to gather pay data (going back to 2012) and resolve the many difficulties in implementing remedy.
- A nationally developed Data Collection Template for remedy is in the process of being tailored to WYPF's pensions administration software system, for WYPF's clients including NCC's Payroll Section to complete later in 2021. The Chair noted that WYPF is a member of the working

party and closely involved in the discussions on remedy at a national level.

- The Board requested information from the Chief Fire Officer about NCC's approach and its risk assessment for implementing the Home Office's informal guidance on "Immediate Detriment".
- The FPS pensions administration service was successfully delivered by WYPF during 2020/21 under COVID-19 lockdown restrictions. The Board has reviewed the guidance for administrators on COVID-19 working, issued and updated during the year by the FPS Advisory Board, the Pensions Regulator and Pensions Administration Standards Association.
- NCC's FPS risk register and changes to Scheme risks during the year;
- 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;
- 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 annual return and annual survey.

#### **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 2020/21.

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) nearly half the Fire and Rescue Authorities in England. WYPF had 10 clients when it took on NCC in 2018, and now has 21 clients. 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.

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

	<b>Common data</b>	<b>Scheme specific</b>
		November 2020
FPS 1992 Scheme	99%	97%
FPS 2006 Scheme	94%	100%
FPS 2015 Scheme	99%	94%
		November 2019
FPS 1992 Scheme	99%	89%

FPS 2006 Scheme	97%	98%
FPS 2015 Scheme	100%	100%

**5. Training**

Board members have attended training (prior to 2020/21) 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.

The Pensions Regulator'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 2021**

**7.1 Extract from NCC's draft Statement of Accounts 2020/21**

2019-20 £000	Fund Account	2020-21 £000
	Contributions:	
1,787	From employer - normal	1,794
-	- From employer – ill health	-
794	From members	792
<b>2,581</b>		<b>2,586</b>
	Transfers in:	
6	Individual transfers from other schemes	123
<b>2,587</b>		<b>2,709</b>
	Benefits:	
(5,540)	Pensions	(5,700)
(1,472)	Commutations and lump sum retirement benefits	(1,375)
	Lump sum death benefits	
<b>(7,012)</b>		<b>(7,075)</b>
	Payments to and on account of leavers:	
-	- Individual transfers to other schemes	-
<b>4,425</b>	<b>Net amount payable before top-up grant</b>	<b>4,366</b>
(4,425)	Top-up grant payable by central Government	(4,366)
-	<b>Net Amount Payable for the year</b>	-
31 March 2020 £000	Net Assets Statement	31 March 2021 £000
	Current assets:	
1,173	Top-up grant receivable from central Government	(115)
	Current liabilities:	
(1,173)	Amount payable to the General Fund	115
-		-

The draft accounts above will be adjusted, prior to finalisation, to show contributions due from the employer for two ill health retirements granted in 2020/21.

**7.2 Membership of FPS in NCC as at 31 March 2021**

Scheme	Actives	Deferreds	Pensioners	Beneficiaries	Leave options pending
<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
<b>TOTAL</b>	<b>231</b>	<b>195</b>	<b>266</b>	<b>59</b>	<b>4</b>

**Pensions into payment**

	Age retirements	Ill-health retirements
During 2020/21	14	2
During 2019/20	10	0
During 2018/19	13	0
During 2017/18	9	0

## **Optants out**

As at **31 March 2021** there were 128 assignments not in the FPS, of whom 113 are retained firefighters and 15 are whole-time firefighters.

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 2021**

The Board reviewed one error relating to the administration of the FPS in NCC which had been recorded in the year ended March 2021. The error occurred as a result of NCC's Payroll Section providing incorrect pensionable pay information to WYPF in respect of three retirements in 2020. The error did not lead to a breach of the law because it was corrected before the pensions were put into payment, but it was recorded in NCC's Breaches and Errors Log as a serious "near miss". It was discovered and corrected after WYPF queried the data provided by Payroll, and had been escalated to the Board Chair by a FPS member because it had not been corrected in a timely manner. As noted above in paragraph 4.1, the Chair raised the matter with the Deputy Section 151 Officer. The Board gained assurances from the Deputy Section 151 Officer's response that processes have been established to prevent similar errors occurring in the future.

In 2020/21 WYPF began 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 were no appeals in the year.

## **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.

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 Clare Gorman and Craig Johnson for providing technical support in the role as Board Secretary and Nichola Turnbull for administrative support to the Board.

A handwritten signature in black ink that reads "S. Richards". The signature is written in a cursive style with a large, looped 'S'.

S. Richards  
Chair of the FPS Local Pension Board

Reported to NCC Audit Committee on: 28 July 2021