

<p>ANNUAL REPORT OF THE FIREFIGHTERS' PENSION SCHEME LOCAL PENSION BOARD 2015-2016</p>

1. Introduction

This is the first annual report of the Northumberland County Council Firefighters' Pension Scheme (FPS) Local Pension Board ("the Board"), which was constituted 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 Executive and Chief Fire Officer) of the current data of the FPS in NCC with regard to membership, statement of accounts, and issues progressed through the Interim Disputes Resolution Procedure (IDRP) and Fire Disputes Panel.

This will clearly be more useful over time as patterns and policies develop.

2. Membership and attendance

The Board consists of the following members;

Chair	Stephen Richards	(FPS Member Representative)
Vice-Chair	Councillor John Woodman	(Employer Representative)
Member	Councillor Alan Sambrook	(Employer Representative)
Member	Guy Tiffin	(FPS Member Representative)
Board Secretary	Clare Gorman	

Attendance at the meetings held on 28 October 2015 17 March 2016

Stephen Richards	✓	✓
Councillor John Woodman	✓	✓
Councillor Alan Sambrook	✓	✓
Guy Tiffin	x	✓

The Board consists of four members, with the Chair being a pensioner member of the FPS and a Scheme Member Representative on the Board.

3. Purpose

The purpose of the Board was discussed at length at the initial Board meeting and it was agreed that the Board should adopt:

- A monitoring role with regards to the IDRPs and Fire Disputes Panel system. The interest of the Board here would be in relation to any repeat patterns of complaints taken through the IDRPs and Disputes Panel system.
- Receive reports to the Board bi-annually on membership of the Scheme in relation to total numbers of contributing employees.
- Receive reports to the Board bi-annually on the statement of accounts, monitoring the level of the Annually Managed Expenditure (AME) grant.
- Monitoring via email bulletins and officer reports on any changes to central Government policy and intent with regard to pensions.
- Equally as important to the Board is an awareness that the Board is not responsible for the day-to-day management of FPS pension administration nor does it perform the role of final arbiter in any disputes.

At the March 2016 meeting, Mr Tiffin reported this was not the view of the Fire Brigades Union nationally, but would update the Board on any progress on this matter.

The Board intends to track these issues over a period of years and inform the Scheme Manager during subsequent Annual Reports.

4. Progress

The following matters have been discussed by the Board:

- Governance arrangements and Terms of Reference (including adopting its own Terms of Reference)
- Draft Conflicts of Interest Policy
- Draft Procedure for Reporting Breaches
- Consideration of the requirement for a FPS Risk Register.

5. Training

The Board Members have received training on:

- Reporting of Breaches
- Overview of the Scheme from Eversheds including the role and requirements of the Board
- National developments and scheme provisions from Clair Alcock, the FPS Adviser to the Local Government Association.

The Board has received joint training with the Local Government Pension Scheme Local Pension Board members to develop and further relationships across the two groups. The Pensions Regulator's toolkit training is available for all Board members to use.

6. Risks

An area of particular interest to this Board is the awareness of any risk factors which may impact upon current Scheme members and pensioners, these include:

- Reduction in active contributing members
- Planned change to discount rate from 3% to 2.8% in unfunded public sector schemes as a result of which from 2019 FPS employer contribution rates will increase which would have the effect of reducing the top up grant to be claimed from the Government
- Format or amounts of AME grant payments made by central Government.

7. Current Position

7.1 Financial statement 2014/15

Fund Account		2013-2014	2014-2015
		£'000	£'000
Contributions			
	From employer - normal	1,182	1,258
	From employer – ill health	19	57
	From members	776	832
		1,977	2,147
Transfers in			
	Individual transfers from other schemes	-	-
		1,977	2,147
Benefits			
	Pensions	(4,296)	(4,610)
	Commutations and lump sum retirement benefits	(990)	(1,864)
	Lump sum death benefits	-	(64)
		(5,286)	(6,538)
Payments to and on account of leavers			
	Individual transfers to other schemes	(1)	(274)
Net amount payable before top-up grant		3,310	4,665
	Top-up grant payable by central Government	(3,310)	(4,665)
Net Amount Payable for the year		-	-

Net Assets Statement		As at	As at
		31 March	31 March
		2014	2015
		£'000	£'000
Current assets			
	Transfer Values Received - Debtor	-	-
	Top-up grant receivable from central Government	-	1,605
	Amount receivable from the General Fund	168	-
Current liabilities			
	Top-up grant payable to the Government	(168)	-
	Provision for Pensions payable	-	(475)
	Amount payable to the General Fund	-	(1,130)
		-	-

7.2 Membership of FPS in NCC

As at 31 March 2015

Membership	1992 FPS Scheme	2006 FPS Scheme
Active members	112	142
Deferred pensioner members	24	94
Pensioner members		
• Age	173	3
• Ill-health	61	1
• Ill-health injury	15	0
• Pension credit (divorce cases)	3	0

Pensions into payment

Pensions into payment	Age retirements	Ill-health retirements
During 2015/16 - to end of Feb 2016	13	1
During 2014/15	12	1
During 2013/14	9	0

Optants out

As at **29 February 2016** there were 127 assignments not in the FPS, of whom 118 are retained firefighters and 9 are whole-time firefighters.

As at **31 March 2015** there were 140 assignments not in the FPS, of whom 130 are retained firefighters and 10 are whole-time firefighters.

7.3 Breaches of the law

The Board reviewed a total of four breaches of the law relating to administration of the FPS in Northumberland recorded in the quarter ended December 2015, none of which were (in the view of the Scheme Manager) reportable to the Regulator.

7.4 Appeals

There was one Stage 2 IDRPs appeal which went before the Fire Disputes Panel on 17 June 2015. The Panel found in favour of the claimant and awarded compensation.

8. General

The Board has had to absorb a considerable amount of information, both technical and constitutional, over the past year. This relates both to the hugely complex nature of the FPS and the role and requirements of the Board itself. It is envisaged that this will become clearer as time progresses and the Board becomes more assured of its role and responsibilities.

Having viewed the Pensions Regulator's "Public Service Governance and Administration Survey" into the FPS Pension Boards nationally, the Board in Northumberland appears in a fairly strong position with regard to initial set up, policies and procedures.

Finally, I would like to thank Mrs Clare Gorman for providing excellent technical support in her role as Board Secretary and Mrs Linda Papaioannou in her role as minute taker and for providing administrative support to the Board.



S. Richards
Chair of the FPS Local Pension Board

Reported to NCC Audit Committee on: 27 July 2016.