

**Northamptonshire Local Pension Board
(Firefighter's Pension Scheme)**

**14 September 2020
2.00pm**

**Conference Room
Moulton Logistics Centre
Northants Fire & Rescue HQ
Moulton Way
Northampton NN3 6XJ**

Remote Participation via Zoom

AGENDA

*** Papers enclosed**

| Item No. | Subject | Responsible Officer |
|----------|--|---------------------|
| 1. | Apologies for Absence and Declaration of Interests | Chair |
| 2.* | Minutes from the meeting held on 1 June 2020 | Jenny Daniels |
| 3.* | Annual Report by the Local Pension Board | Paul Hanson |
| 4.* | Firefighters' Pension Scheme(s) Administration | Joanne Walton |
| 5* | Age discrimination remedy (including cost control mechanism) | Joanne Walton |
| 6.* | Northamptonshire Firefighters' Pension Scheme(s) Risk Register | Joanne Walton |
| 7.* | Training Plan | Joanne Walton |

EXEMPT ITEMS

In respect of the following items the Chairman may move the resolution set out below, on the grounds that if the public were present it would be likely that exempt information (information regarded as private for the purposes of the Local Government Act 1972) would be disclosed to them:

The Committee is requested to resolve: "That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) of business on the grounds that if the public were present it would be likely that exempt information under Part 1 of Schedule 12A to the Act of the descriptions against each item would be disclosed to them"

Jenny Daniels
Democratic Services
Northamptonshire County Council
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Issued: 4 September 2020

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**Northamptonshire Fire & Rescue Service
Local Pension Board
Meeting held via Zoom**

Actions & Summary of Meeting: Monday 1 June 2020

PRESENT:-

Jim Dorrill (Employee Representative & Chairman)

Shaun Hallam Employer Representative

Also in attendance (for all or part of the meeting)

| | |
|---------------|--|
| Jenny Daniels | Democracy Officer (minutes) |
| Darren Dovey | Chief Fire Officer |
| Paul Hanson | Democratic Services Manager |
| Joanne Walton | LGSS Pensions Governance & Regulations Manager |

| Item No. | Item | Action to be taken by |
|-----------------|---|------------------------------|
| 08/20 | <u>Apologies for Absence and Declarations of Interest:</u> Apologies were received from Kevin Aitken, Helen King and Nick Alexander.. | Jenny Daniels |

| | | |
|--------------|--|---|
| <p>09/20</p> | <p><u>Minutes of the Meeting Held on 9 March 2020</u></p> <p>The minutes were agreed as a true and accurate record of the meeting. The following updates were provided:</p> <ul style="list-style-type: none"> • Shaun Hallam would send through the details of the retirement profile to the LGSS Pensions Governance & Regulations Manager. • It was noted the procurement for a new supplier of pensions administration and pensioner payroll was currently being progressed. • The training needs analysis would be undertaken that week and returned to the Pensions Team. <p>RESOLVED that: the Local Pension Board:</p> <ol style="list-style-type: none"> 1) approved the minutes of the meeting held on 9 March 2020; 2) noted that the Assistant Chief Fire Officer would send details retirement profile; and 3) The training need analysis would be undertaken and returned to the Pensions Team. | <p>Jenny Daniels Shaun Hallam Jim Dorrill</p> |
| <p>10/20</p> | <p><u>Northamptonshire Firefighters' Pension Scheme(s) Administration:</u></p> <p>At the Chairman's invitation, the Pensions Governance & Regulations Manager Joanne Walton introduced this report (copies of which had been previously circulated) highlighting the following:</p> <ul style="list-style-type: none"> • All KPIs had been met as shown in appendix 1 to the report. • As detailed in section 3.2 of the report, HMRC had been unable to release the final file of data in respect of contracted-out data belonging to members. HMRC had not been able to confirm a release date for the data files but any incorrect information contained in those files would not be corrected prior to release. • Due to coronavirus, work had not progressed as quickly as planned with regard to obtaining current addresses for those who did not have them on their records. Officers were not in the office to be able to make and receive phone calls which would be required for this activity. An update would be provided to the next meeting. • A breach of the law had occurred. It was a requirement that, on leaving the scheme, a member should receive information about their entitlement within two months of the employer notifying the pension scheme. LGSS Pensions had established that 89 people had received a letter but this was not within the 2-month deadline. The error has been corrected and reported to the Chief Fire Officer but the service didn't feel it was a breach of a significantly material nature that would require a report to the Pensions Regulator, but it | |

| | | |
|--------------|--|----------------------|
| | <p>had been noted in the breach log. The service had since revised the workflow processes to ensure it would be undertaken in future and all members affected had now been contacted.</p> <p>In answer to queries on the report the following was confirmed:</p> <ul style="list-style-type: none"> • By not checking the information held for pensioners, the service could be over or under-paying a pension. There had been a direction given from the Home Office that it was appropriate to write of any overpayment as a result of an incorrect rate of GMP being previously advised by HMRC. • Another risk to consider related to incorrect address details being held. If the wrong address was held for a member then there was a risk that correspondence could be received and opened by a third party, causing a data breach. The Pensions Team would undertake the task of verifying addresses as soon as possible but needed to be in the office to undertake the work to a proper standard. <p>RESOLVED that: the Local Pension Board noted the content of the report, agreed the way forward with regard to Member addresses and that a further report would be made to the September meeting.</p> | <p>Joanne Walton</p> |
| <p>11/20</p> | <p><u>Compliance with the Pensions Regulator’s Code of Practice</u></p> <p>At the Chairman’s invitation, the Pensions Governance & Regulations Manager Joanne Walton introduced this report (copies of which had been previously circulated) stating that the Local Pension Board was, in her opinion, fully compliant with the Pensions Regulator’s Code of Practice. Section 2 of the report detailed the work that had been undertaken since the last meeting. The service had made good progress and would regularly review policies.</p> <p>RESOLVED that: The Local Pension Board noted the report and timescale for responding to areas of partial or non-compliance.</p> | <p>Joanne Walton</p> |
| <p>12/20</p> | <p><u>Northamptonshire Firefighters’ Pension Scheme(s) Draft Risk Register</u></p> <p>At the Chairman’s invitation, the Pensions Governance & Regulations Manager Joanne Walton introduced this report (copies of which had been previously circulated) and sought the views of the Board.</p> <p>In answer to queries on the report the following was confirmed:</p> | |

| | | |
|-------|--|---|
| | <ul style="list-style-type: none"> • Covid-19 had affected the Pensions Team’s ability to undertake certain tasks but they were managing to undertake all of the tasks they needed to do in order to comply with the law. Home working had been successful. • It was felt the effect of the Covid-19 pandemic could be added to the section on business continuity. It would also be added to the risk log that ran alongside the risk register. The risk log was quite detailed. <p>The Local Pension Board also discussed sourcing a new pensions administrator which was felt to be critical as there were only 9 months left until LGSS Pensions stopped undertaking this function. There were plans that would have to be put in place in order to ensure a satisfactory handover. This had not been scored on the risk register and the Chief Finance Officer, Office of the Police, Fire and Crime Commissioner for Northamptonshire, Helen King had stated that this work was underway. It was therefore scored as ‘AMBER’. An update would be provided at the next meeting.</p> <p>RESOLVED that: The Local Pension Board:</p> <ol style="list-style-type: none"> 1) Reviewed the current risks on the Northamptonshire Firefighters’ Pension(s) Scheme Risk; 2) Provided risk ratings and controls for risks within the report: 3) Would receive an update on the progress of sourcing a new pensions administrator at the next meeting. | <p>Joanne Walton Joanne Walton Helen King</p> |
| 13/20 | <p><u>Any Other Business</u></p> <p>At the Chairman’s invitation the Chief Fire Officer, Darren Dovey stated some members had mentioned it had taken time to obtain some information. The LGSS Pensions Governance & Regulations Manager would pass the comments on to the Team responsible and ensure an improvement was made.</p> <p>RESOLVED that: the LGSS Pensions Governance and Legislation Manager would pass on comments made by some officers regarding the sharing of information.</p> | <p>Joanne Walton</p> |

There being no further business the meeting closed at 2.40pm.
Jenny Daniels, Democracy Officer.

**NORTHAMPTONSHIRE FIRE
AND RESCUE SERVICE
LOCAL PENSION BOARD**

LOCAL PENSION BOARD

15 September 2020

Report by: THE DEMOCRATIC SERVICES MANAGER

| | |
|------------------------------|---|
| Subject: | Annual Report of the Local Pension Board |
| Purpose of the Report | To consider the draft annual report of the Local Pension Board and recommend its submission to the Police, Fire and Crime Commissioner. |
| Recommendations | The Local Pension Board are asked to review, comment on and approve its annual report. |
| Enquiries to: | Paul Hanson – Democratic Services Manager Tel: 01604 366813 e-mail: phanson@northamptonshire.gov.uk |

1. Background

- 1.1 It is considered good practice for the Local Pension Board to consider publishing an annual report of the Board’s activities for that year. It is consistent with good governance practices that the Board should submit this report to the Police, Fire and Crime Commissioner in their capacity as the Scheme Manager.
- 1.2 A copy of the draft Local Pension Board Annual Report is attached at Appendix 1. The report provides a summary of the work of the Board. The Board is asked to consider the Annual Report and raise any comments accordingly. Once finalised, the Annual Report will be presented to the Police, Fire and Crime Commissioner and published as appropriate.

2. Content

- 2.1 The annual report focuses on the work undertaken by the Board during the year to date. The Board are asked to comment on this content and advise if they wish to add anything further.

3. Finance & Resources Implications

- 3.1 Not applicable.

4. Risk Implications

a) Risk(s) associated with the proposal

| Risk | Mitigation | Residual Risk |
|---|-------------------|----------------------|
| There are no risks associated with this report. | | |

b) Risk(s) associated with not undertaking the proposal

| Risk | Risk Rating |
|---|-------------|
| There are no risks associated with this report. | |

5. Communication Implications

5.1 Not applicable.

6. Legal Implications

6.1 Not applicable.

7. Consultation with Key Advisers

7.1 Not applicable.

8. Alternative Options Considered

8.1 Not applicable

9. Background Papers

9.1 Not applicable

10. Appendices

Appendix 1: Annual Report by the Local Pension Board

| Checklist of Key Approvals | |
|--|----------------|
| Is this decision included in the Business Plan? | Not applicable |
| Will further decisions be required? If so, please outline the timetable here | Not applicable |
| Is this report proposing an amendment to the budget and/or policy framework? | No |
| Has this report been cleared by Director of Finance/Section 151 Officer? | Not applicable |
| Has this report been cleared by Head of Pensions? | No |
| Has this report been cleared by Legal Services? | Not applicable |

**Northamptonshire
Firefighters' Pension Scheme
Local Pension Board**

**Annual Report
2019-20**



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Chairman's Foreword

I am pleased, as Chairman of the Northamptonshire Firefighters' Pension Scheme Local Pension Board, to introduce the Board's latest Annual Report. Local Pension Boards are bodies established by statute and tasked with assisting the Scheme Manager by ensuring it is administering the Scheme effectively and in compliance with the law.

The Board was originally established by Northamptonshire County Council in March 2015. The Board was initially occupied with putting in place the policies and procedures necessary to secure its satisfactory operation. The Board has subsequently sought to assist the Scheme Manager by reviewing policies and practices and assessing the Scheme Manager's performance in line with best practice.

The Board has carried out further work on these focus areas during its fifth year of operation, which is covered by this Annual Report. The Board has also continued to respond to the transfer of responsibility for the governance of Northamptonshire Fire & Rescue Service from the County Council to the Police, Fire & Crime Commissioner for Northamptonshire.

Information about the Board, as well as details of the Board's work, is available on the Council's website. We want to hear from scheme members and employers about any issues that may be causing them concern so please feel free to contact any member of the Board using the details set out in this report.

I am confident that the dedication and commitment shown by the Board throughout its life so far will continue into 2020-21 and that it will once again make a positive contribution to maintaining high standards in the administration of the Fund.

Chairman
Northamptonshire Firefighters' Pension Scheme Local Pension Board.

Background

The Public Services Pensions Act 2013 required all Public Service Pension Schemes to establish a Local Pension Board. In the case of the Firefighters' Pensions Scheme, the role of the Board is to assist the Scheme Manager (Formerly Northamptonshire County Council, now the Police, Fire and Crime Commissioner):

- to secure compliance with:
 - the relevant regulations;
 - any other legislation relating to the governance and administration of the Scheme (and any Connected Scheme); and
 - the requirements imposed by the Regulator in relation to the Scheme (and any Connected Scheme), and
- to ensure the effective and efficient governance and administration of the Scheme (and any Connected Scheme).

The Local Pension Board is expected to complement and enhance the Scheme Manager's existing arrangements for managing the scheme. It does not replace the existing arrangements and it is not a decision making body. Rather, it is designed to act as a critical friend to the Council and its officers when they act in the capacity of Scheme Manager.

The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 relating to the creation and ongoing operation of local pension schemes came into force on 1st April 2015. These regulations required the Scheme Manager to agree the establishment of a Local Pension Board in respect of the Firefighter's Pension Scheme by 1st April 2015. In this context, established means that the Scheme Manager had to approve the creation of the Board and agree its composition and terms of reference in accordance with its constitution. It did not mean that the Firefighters' Pension Scheme Local Pension Board had to be fully operational by that date.

The Northamptonshire Firefighters' Pension Scheme Local Pension Board was established by the Council at the Full Council meeting on 19th March 2015 and held its first meeting on 29th July 2015. With effect from 1st January 2019 the Police, Fire & Crime Commissioner for Northamptonshire took responsibility for the governance of Northamptonshire Fire & Rescue Service. However, support for the management of the Firefighters' Pension Schemes and for the operation of the Local Pensions Board continues to be contracted from LGSS Pensions and

from Northamptonshire County Council Democratic Services for the 2020-21 period.

Role and Remit

The role and remit of the Local Pension Board is to assist the Scheme Manager by making sure it is administering the Firefighters' Pension Scheme effectively and efficiently and, in doing so, is complying with relevant laws and regulations. The Board does this by reviewing the policies and practices that the Scheme Manager has adopted and checking them against the applicable regulations, as well as comparing them to examples of best practice elsewhere.

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Constitution and Membership

Northamptonshire County Council originally approved the terms of reference for the Firefighters' Pension Scheme Local Pension Board on the basis that the Board is a stand-alone authority. It also approved standing orders for the Board. A copy of both documents is available at the following link:

https://cmis.northamptonshire.gov.uk/cm5live/Committees/tabid/110/ctl/ViewCMIS_CommitteeDetails/mid/558/id/449/Default.aspx

A concise summary of the Firefighters' Pension Scheme Local Pension Board's terms of reference was set out in the Council's constitution (see Part 2, Article 9 (Local Pension Boards)):

<https://cmis.northamptonshire.gov.uk/cm5live/PublicDocuments.aspx>

In order to ensure they are fully representative, all Local Pension Boards must include an equal number of employer and member representatives with a minimum requirement of no fewer than four in total. At its meeting in March 2015, the Council agreed to establish a Firefighters' Pension Scheme Local Pension Board with two employer representatives and two scheme member representatives. The term of appointment for all members is four years or until qualification for membership ceases.

The Council determined that one of the employer representatives was to be appointed by Full Council directly, while all other members were appointed via an open and transparent selection process. This changed on 1st January 2019 to refer to members of the Office of the Police, Fire & Crime Commissioner and/or the Northamptonshire Fire & Rescue Service but the principle remained the same.

Employer Representatives

| Member | Email | Appointed |
|----------------|--|------------|
| Shaun Hallam | shallam@northantsfire.org.uk | July 2018 |
| Mrs Helen King | helen.king@northantspfcc.pnn.gov.uk | March 2019 |

Scheme Member Representatives

| Member | Email | Appointed |
|--------------|--|-----------|
| Jim Dorrill | JDorrill@northantsfire.org.uk | June 2015 |
| Kevin Aitken | KAitken@northantsfire.gov.uk | June 2019 |

The Chair and Vice-Chair of the Board are elected by the Board on annual basis. The current Chair is Jim Dorrill and the Vice Chair is Shaun Hallam.

The Board has met twice during the period of this Annual Report. The attendance record for members of the Board is detailed below:

| Date | Helen King | Shaun Hallam | Jim Dorrill | Kevin Aitken |
|------------|------------|--------------|-------------|--------------|
| 09/03/2020 | Yes | Yes | Yes | No |
| 01/06/2020 | No | Yes | Yes | No |
| 14/09/2020 | TBC | TBC | TBC | TBC |

Summary of the Board's activities 2019-20

Firefighters' Pension Scheme Administration

At its meeting in March 2020 the Board discussed the anticipated retirement profile of the service and assured itself that a mechanism had been established to review this information on a 12-18 month cycle.

The Board regularly reviewed Key Performance Indicators (KPIs) in relation to scheme administration. At its meeting in March 2020, the Board heard that all KPIs apart from one had been met. The missed target related to a single instance of an estimate of benefits being processed outside of the 10 day requirement. At its meeting in June 2020, the Board recognised that all KPIs has been met for the preceding period.

The Board also received regular updates on contracting-out data. The Board was made aware that HMRC had not been in a position to release this data and noted the implications of this.

At its meeting in June 2020, the Board was advised that a breach of the law had occurred. It is a requirement that, on leaving the scheme, a member should receive information about their entitlement within two months. The Board heard that LGSS Pensions had established that 89 people had received such a letter but within the 2-month timeframe. The error has been corrected and reported to the Scheme Manager. The Board noted that this had not been considered to be a breach of material nature that would require a report to the Pensions Regulator, but that it had been noted in the breach log. The Board assured itself that the service had since revised the workflow processes to ensure future compliance and noted that all members affected had been contacted.

Compliance with the Pension Regulator's Code of Practice

At its meeting in March 2020, the Board reviewed the performance of the Scheme Manager in the context of the Pension Regulator's Code of Practice. The Board noted the recommendations to improve procedures for identifying and managing risk, as well as to increase the frequency of Board meetings. As a result of this recommendation, the Board resolved to meet on a quarterly basis, thereby doubling the frequency of meetings.

The Board re-visited this issue in June 2020 and was advised that, in the opinion of LGSS Pensions, there was full compliance with the Code of Practice.

Northamptonshire Firefighters' Pension Scheme Risk Register

The Board considered a proposal for the Scheme Manager to adopt a risk register for identifying and managing risks specific to the Firefighters' Pension Scheme. The Board considered the draft register at its meeting in March 2020 and Board members reviewed and, where it they felt it necessary, revised the proposed risk scores. The Board noted the cessation of administrative, accounting and governance support from LGSS Pensions in March 2021 and agreed to include the procurement of a replacement service provider in the risk register.

It its meeting in June 2020, the Board noted the impact of COVID-19 but was assured that the impact on service delivery had been managed by LGSS Pensions. The Board discussed the cessation of support from LGSS Pensions and was advised by the Chief Finance Officer that work to procure a replacement service provider was underway.

Member Training Policy

The Board reviewed the Member Training Policy in March 2020 and resolved that Board members would each undertake a training needs analysis in order to identify gaps in knowledge. NOTE – this section will be updated following the Sept 2020 meeting.

The Pensions Regulator – Public Service Governance and Administration Survey Results 2018

The Board reviewed the outcomes of the Public Service Governance and Administration Survey Results and noted a range of recommendations. Some of the recommendations, such as more frequent meetings, would have a cost implication and it was agreed by the Board that these be discussed with the Scheme Manager. It was further agreed that the potential of the pension arrangements be explored with the Chief Finance Officer.

Board Meetings

Full agenda papers and minutes for the Firefighters' Local Pension Board are available here:

https://cmis.northamptonshire.gov.uk/cm5live/Committees/tabid/110/ctl/ViewCMIS_CommitteeDetails/mid/558/id/449/Default.aspx

Work Programme 2020-21

The Board considered their work programme at the September 2020 meeting.

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Key Officers supporting the Local Pension Board

Head of Pensions

Mark Whitby

MWhitby@northamptonshire.gov.uk

**Governance & Regulations
Manager**

Joanne Walton

JWalton@northamptonshire.gov.uk

Principal Regulations Officer

Gary McLellan

GMcLellan@northamptonshire.gov.uk

Governance Officer

Michelle Oakensen

MOakensen@northamptonshire.gov.uk

Democratic Services Manager

Paul Hanson

phanson@northamptonshire.gov.uk

Democratic Services Officer

Jenny Daniels

JDaniels@northamptonshire.gov.uk

**NORTHAMPTONSHIRE
FIREFIGHTERS'
PENSION SCHEMES**



LOCAL PENSION BOARD

14 September 2020

Report by: THE HEAD OF LGSS PENSIONS

| | |
|------------------------------|---|
| Subject: | Firefighters' Pension Scheme(s) Administration |
| Purpose of the Report | To present members of the Local Pension Board with information on the administration of the Firefighters' Pension Scheme(s) by LGSS Pensions |
| Recommendations | That the Local Pension Board notes the content of the report |
| Enquiries to: | Name: Jo Walton – LGSS Pensions, Governance and Regulations Manager E-mail: jwalton@northamptonshire.gov.uk |

1. Background

- 1.1 One of the core functions of the Local Pension Board is to ensure the effective and efficient governance and administration of the Scheme. This report demonstrates a number of key areas of administration performance for consideration by the Local Pension Board.

2. Administration Performance

- 2.1 The following key performance indicators represent the regular casework activities that are undertaken by LGSS Pensions in the administration of the Firefighters' Pension Schemes.

- Notify employees retiring from active membership of benefits award
- Notify leavers of deferred benefit entitlement
- Provide transfer in quote to scheme member
- Confirm transfer in payment and benefits credited to scheme member
- Provide a cash equivalent transfer value
- Process transfer out and issue CETV statement
- Provide a divorce quotation
- Obtain details of beneficiaries after advice of death
- Provide an estimate of benefits
- Calculate cost of purchasing additional pension and notify scheme member

- 2.2 All of the key performance indicators have a target of 10 working days for completion.

- 2.3 For the months May 2020 to August 2020 two targets were missed. The first was not notifying a member retiring from active membership of their award within 10 days of receiving all the necessary information to process the retirement in June. The second was failing to provide an estimate of benefits within 10 days of receiving all necessary information in August. As a result of these failings, closer monitoring of all casework has been implemented to reduce the likelihood of future processing delays.
- 2.4 Further details can be found in appendix one to this report. The months where there are no statistics represent no activity in the particular area of measured casework.

3. Data Improvement Plan

- 3.1 At the March 2019 meeting, the Data Improvement Policy and Plan was presented to and approved by the Local Pension Board.

3.2 Contracting-out reconciliation and rectification

- 3.2.1 It has been reported at previous meetings of the Local Pension Board that LGSS Pensions were undertaking the exercise to reconcile contracted-out details held on pensions administration records compared with that held by HMRC.
- 3.2.2 HMRC have now issued the final file of data that was initially scheduled for release by 31 December 2019. By HMRC's own admission, the file contains a number of errors that they have no plans to correct. However, correct data can be located on a secure website and this data will be used by LGSS Pensions when undertaking the reconciliation detailed in 3.4 of this report.

3.3 Member addresses

- 3.3.1 It was agreed at the March 2020 of the Local Pension Board that LGSS Pensions would use the services of the Department of Work and Pensions to obtain current addresses of those scheme members that do not have a current address on their records.
- 3.3.2 Unfortunately, due to the pandemic, it has not been possible to attend the office to undertake that activity. However, with lockdown restrictions being relaxed this activity has been rescheduled to take place at the beginning of October and the LPB will be updated with progress made at the next meeting in December 2020.

3.4 Pensioner payroll and pensions administration records reconciliation

- 3.4.1 LGSS Pensions have now begun an exercise to reconcile pensioner payroll records against pensions administration records whilst incorporating checks to ensure that the correct rate of contracted-out liability is in payment (as detailed in section 3.2 of this report).
- 3.4.2 The reconciliation process will look at potential underpayments first. Where underpayments are identified, arrears of pension will be made to the member. The member will also receive letter detailing how the underpayment has occurred, a statement of the arrears paid in respect of each year they were underpaid for sharing with HMRC if necessary and information on the internal dispute resolution procedure.

- 3.4.3 It is anticipated that the likely cause of any underpayments will be a result of automated bulk processing activities associated with the application of pensions increase.
- 3.4.4 The Local Pension Board will receive an update at the December 2020 meeting as to the underpayments identified and resolved.
- 3.4.5 Any overpayments identified as part of this exercise will need to be considered by the Scheme Manager for how they should be managed.
- 3.4.6 However, as detailed in the Overpayments Policy that was agreed by the Local Pension Board and Scheme Manager at the 10th September 2018 meeting, overpayments of less than £250.00 can be written off.
- 3.4.7 Overpayments that are as a result of having been previously informed by HMRC of a rate of contracted-out liability that HMRC have subsequently corrected should also be written off as per a statement released by the Home Office.
- 3.4.8 As with the underpayments, details of any overpayments will be reported to the Local Pension Board at future meetings.

4. Breaches of the Law

- 4.1 It is a requirement of the administrators of the Firefighters' Pension Schemes, the Scheme Manager and the Local Pension Board to identify and consider breaches of the law in the governance and administration of the schemes. The Local Pension Board has approved a policy which sets out the considerations for deciding what action is required when a breach of the law occurs.
- 4.2 LGSS Pensions wish to bring to the attention of the Local Pension Board that a breach in the administration of the Firefighters' Pension Scheme has occurred. The breach involves failing to write to 67 scheme members who have left the scheme to advise them of their entitlement within two months of LGSS Pensions being notified that the member has left. The letter is a statutory requirement to inform the member of the type of benefit that they are entitled to such as a deferred benefit or a refund of contributions or transfer to another pension scheme. The monetary value of the members' entitlement is not required for inclusion in this letter but will be provided at a later stage which has no statutory time limit attached to it.
- 4.3 This breach has occurred due to the work-flow process not including this requirement. All members that have left the scheme who have not had their actual entitlement calculated have now received this entitlement letter and so LGSS Pensions have deemed this a breach of the law but one that is not of a material nature that would require reporting to the Pensions Regulator. LGSS Pensions have taken this view as the member has not suffered a detriment as a result of not receiving this letter and the oversight was not an attempt to defraud or conceal information. All members that should have received this letter will have done so by 31 May 2020 and will be notified of the value of their entitlement by 30 September 2020.
- 4.4 Monthly monitoring is now in place to ensure that the statutory time limits for this requirement are adhered to and work-flow processes have been reviewed and amended to support this.

4.5 In compliance with the Pensions Regulator's requirements on breaches of the law, the breach has been logged on the breach log that can be found in appendix 2.

5. Finance & Resources Implications

5.1 Costs associated with the data improvement activities detailed within this report will be discussed and agreed with the Scheme Manager.

6. Risk Implications

a) Risk(s) associated with the proposal

| Risk | Mitigation | Residual Risk |
|--|-------------------|----------------------|
| There are no risks associated with ensuring that records held on members of the Firefighters' Pension Schemes are accurate and that breaches of the law are considered, logged and reported where necessary. | N/A | Green |

b) Risk(s) associated with not undertaking the proposal

| Risk | Risk Rating |
|---|--------------------|
| Failure to ensure the records held on members of the Firefighters' Pension Scheme are accurate would be a breach of the law. Failing to comply with the requirements of the relevant pensions legislation, the Pensions Regulator, Scheme Advisory Board and Public Service Pension Act 2013 may result in the Pensions Regulator taking action to improve standards. | Amber |

7. Communication implications

7.1 There are no implications to be considered.

8. Legal Implications

8.1 Section 4 of this report details a breach of the law that the Local Pension Board are asked to consider.

9. Consultation with Key Advisers

9.1 LGSS Pensions have consulted with ITM Limited regarding the contracting-out reconciliation.

10. Alternative Options Considered

10.1 There are no alternative options to be considered.

11. Background Papers

11.1 Not applicable

12. Appendices

Appendix 1 – Firefighters' Pension Scheme Administration Performance Monitoring
Appendix 2 – Firefighters' Pension Scheme Breaches of the Law Log

| Checklist of Key Approvals | |
|---|--------------------------|
| Has this report been cleared by Head of Pensions? | Mark Whitby – 03/09/2020 |

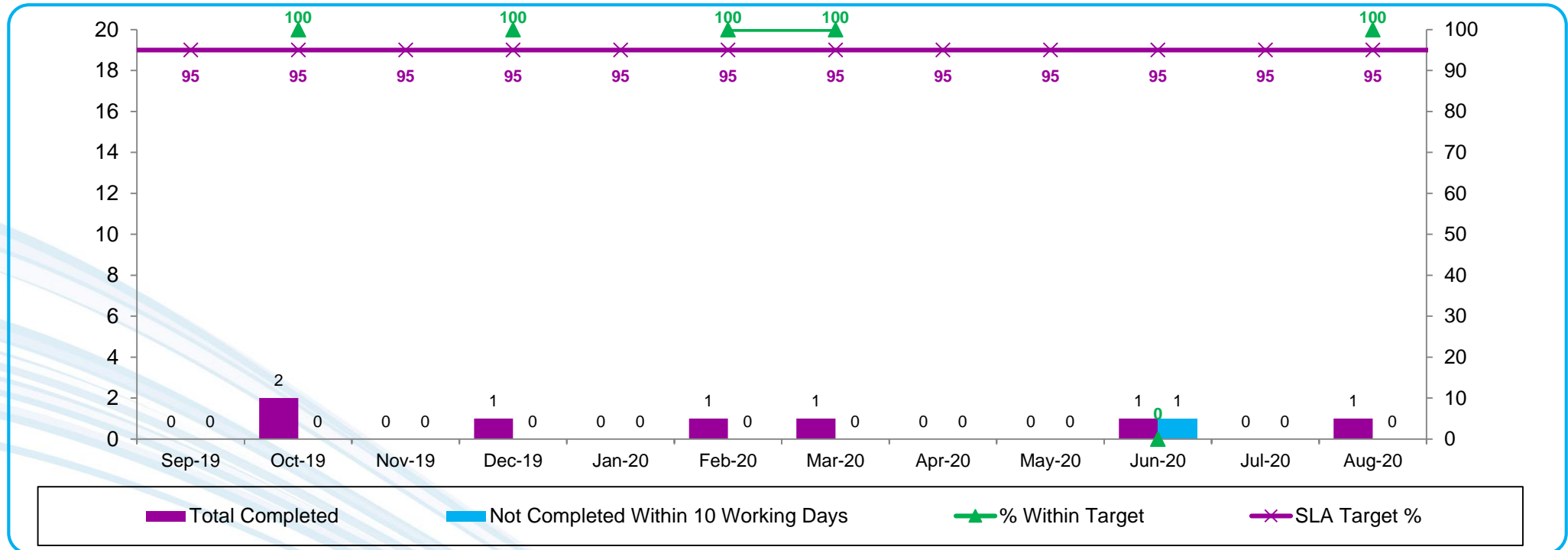


Northamptonshire Fire and Rescue Service Performance Monitoring August 2020

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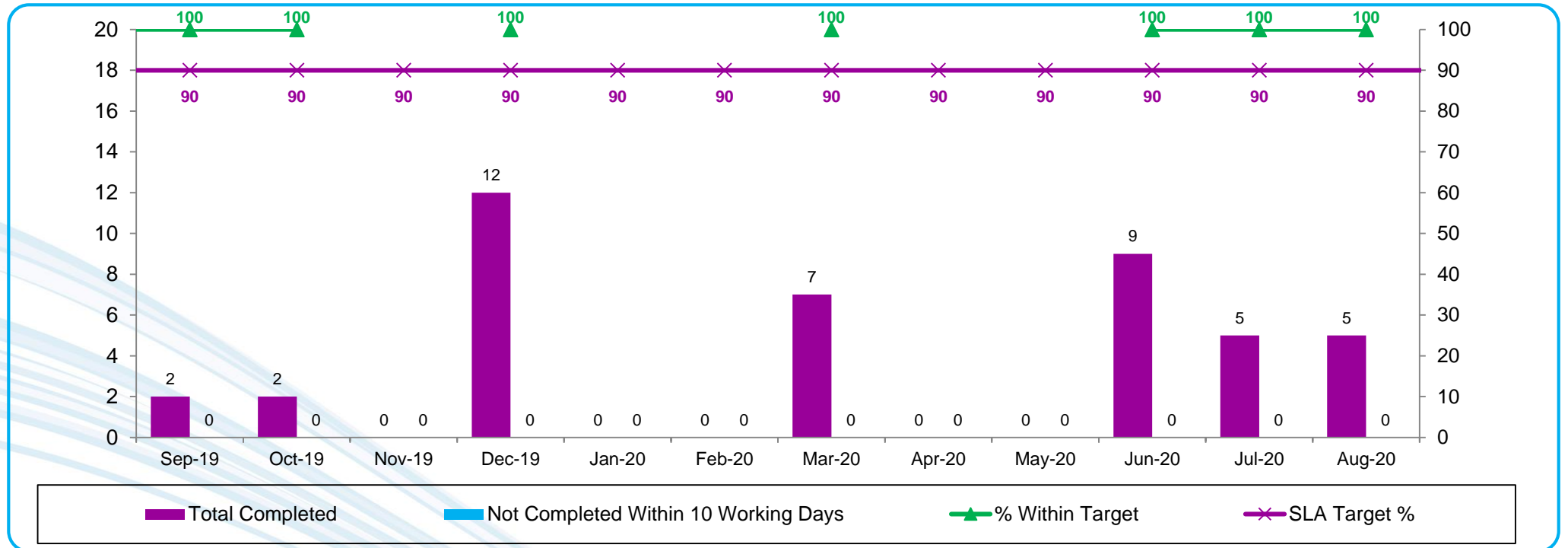
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SLA Target - Notify employees retiring from active membership of benefits award



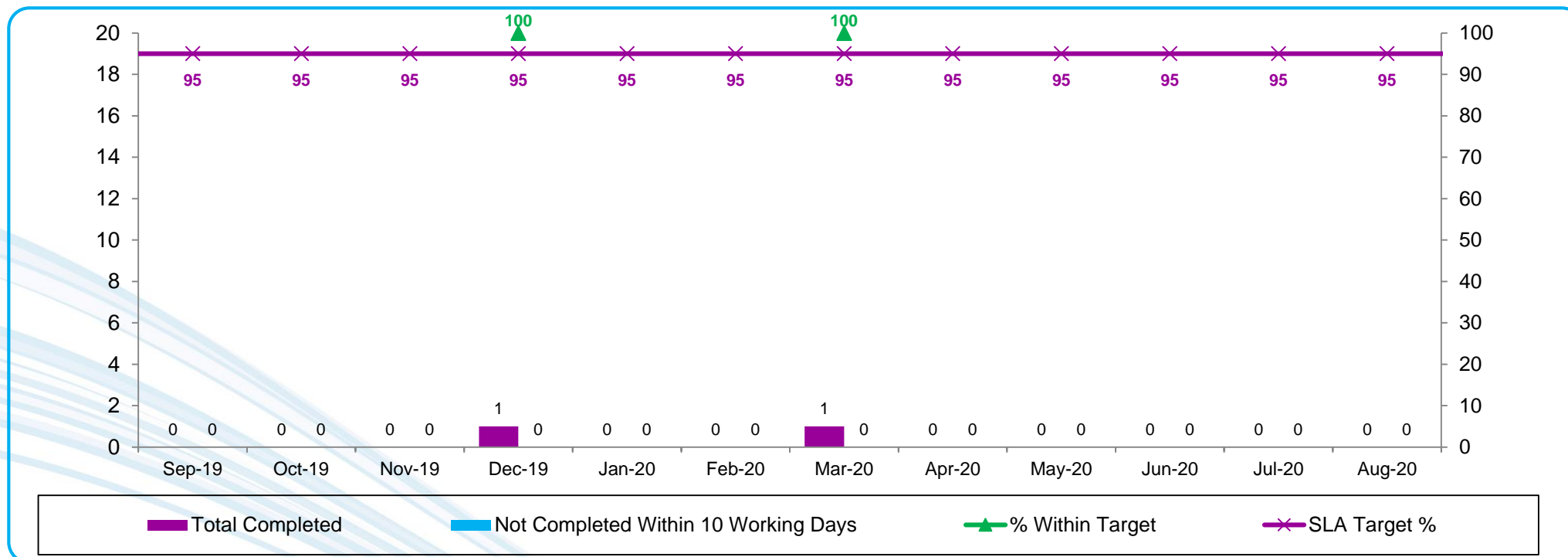
- This chart shows the number of cases and time period for notifying employees retiring from active membership of benefits award, from date of receiving all necessary information, based on the SLA target.

SLA Target - Notify leavers of deferred benefit entitlement



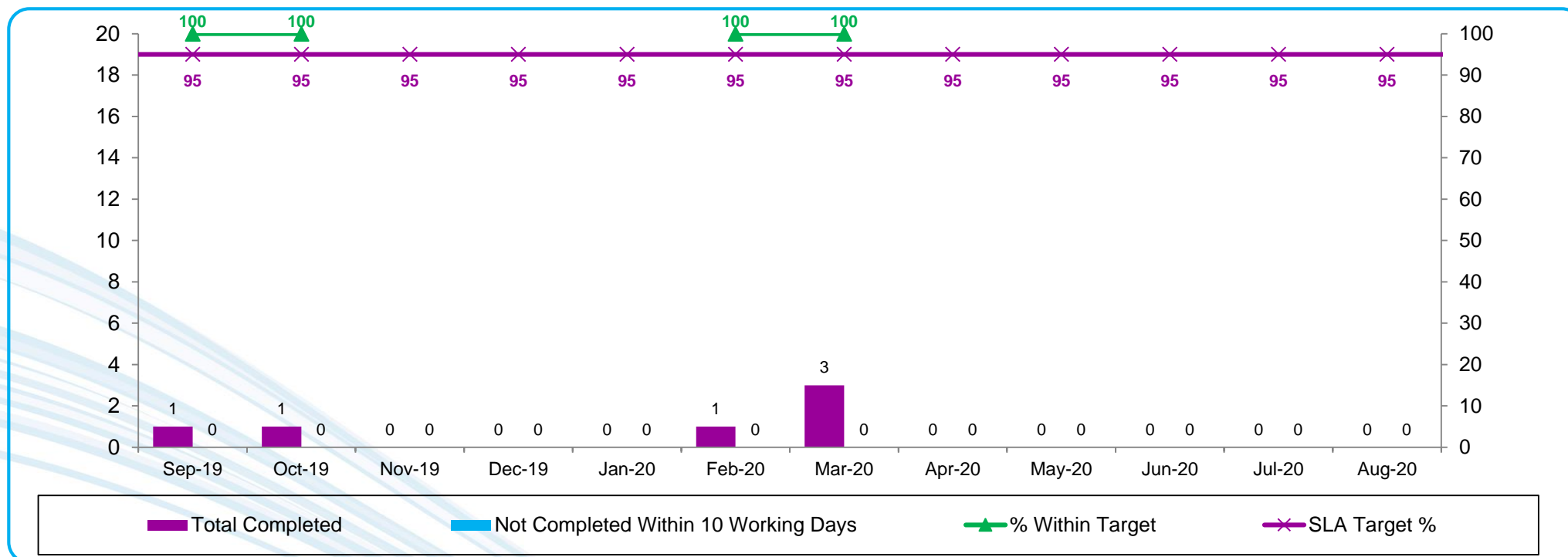
- This chart shows the number of cases and time period for notifying leavers of deferred benefit entitlement from receipt of all information, based on the SLA target.

SLA Target – Provide transfer in quote to scheme member



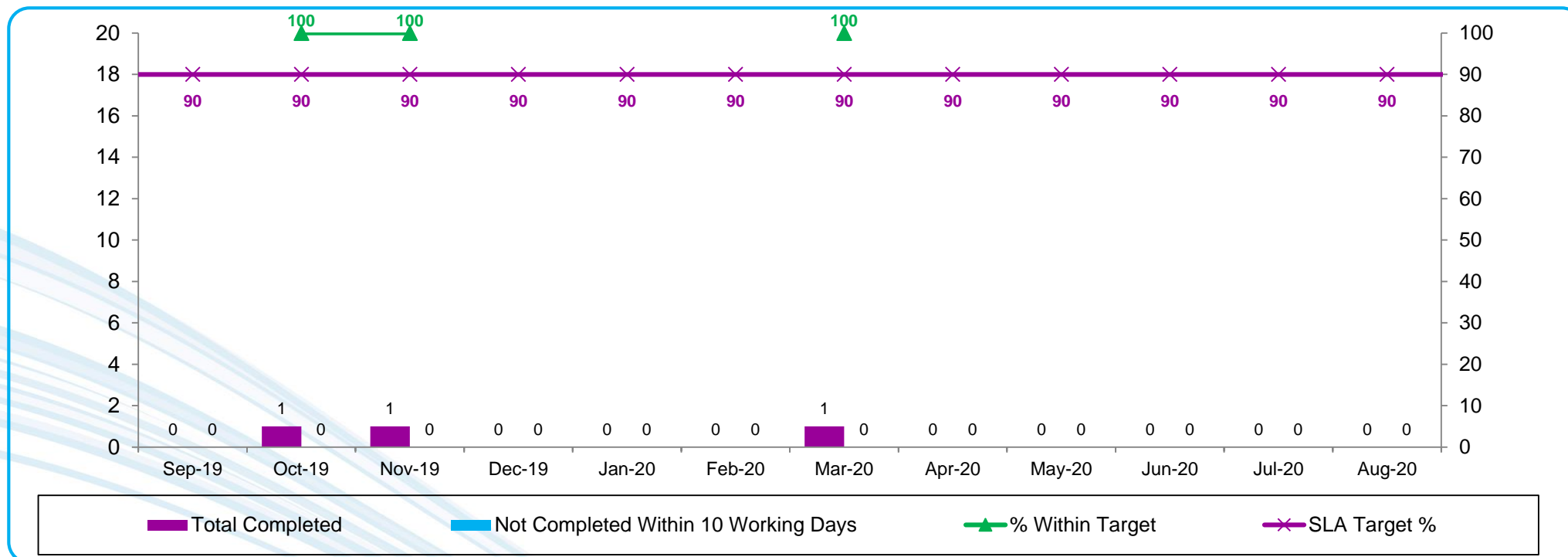
- This chart shows the number of cases and time period for issuing a transfer-in quote letter from receipt of all appropriate information, based on the SLA target.

SLA Target – Confirm transfer in payment and benefits credited to scheme member



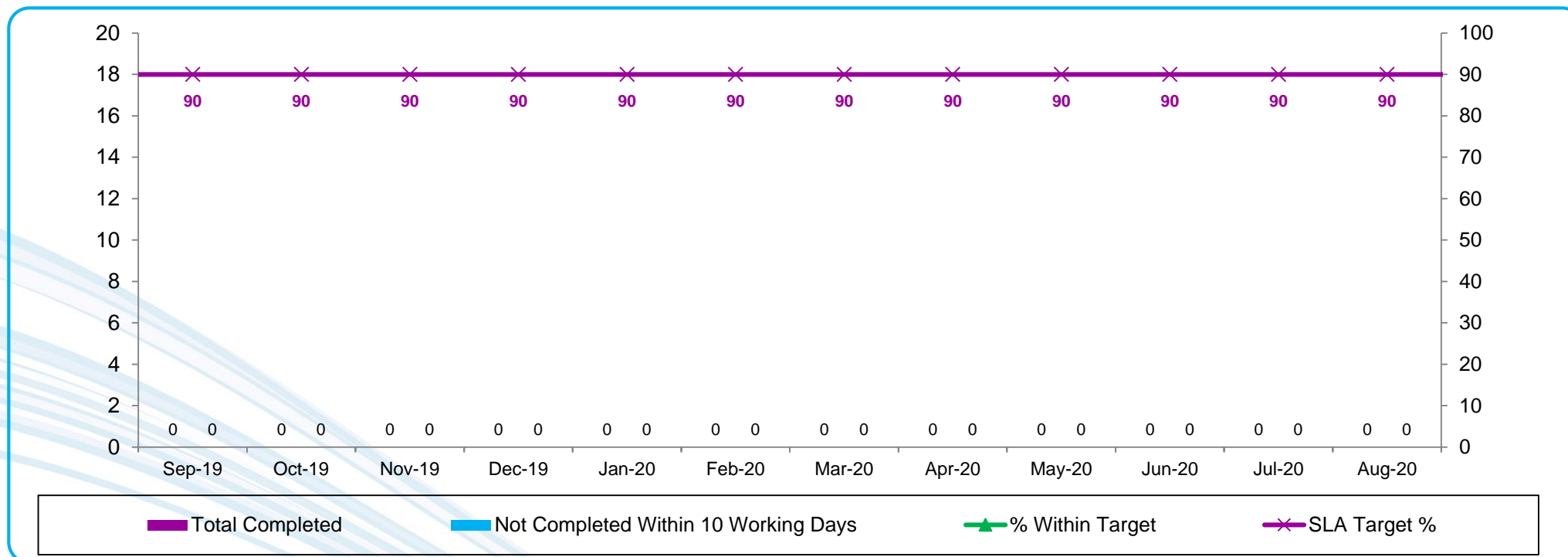
- This chart shows the number of cases and time period for confirming transfer in payment and benefits credited from receipt of all appropriate information, based on the SLA target.

SLA Target – Provide a cash equivalent transfer value – CETV



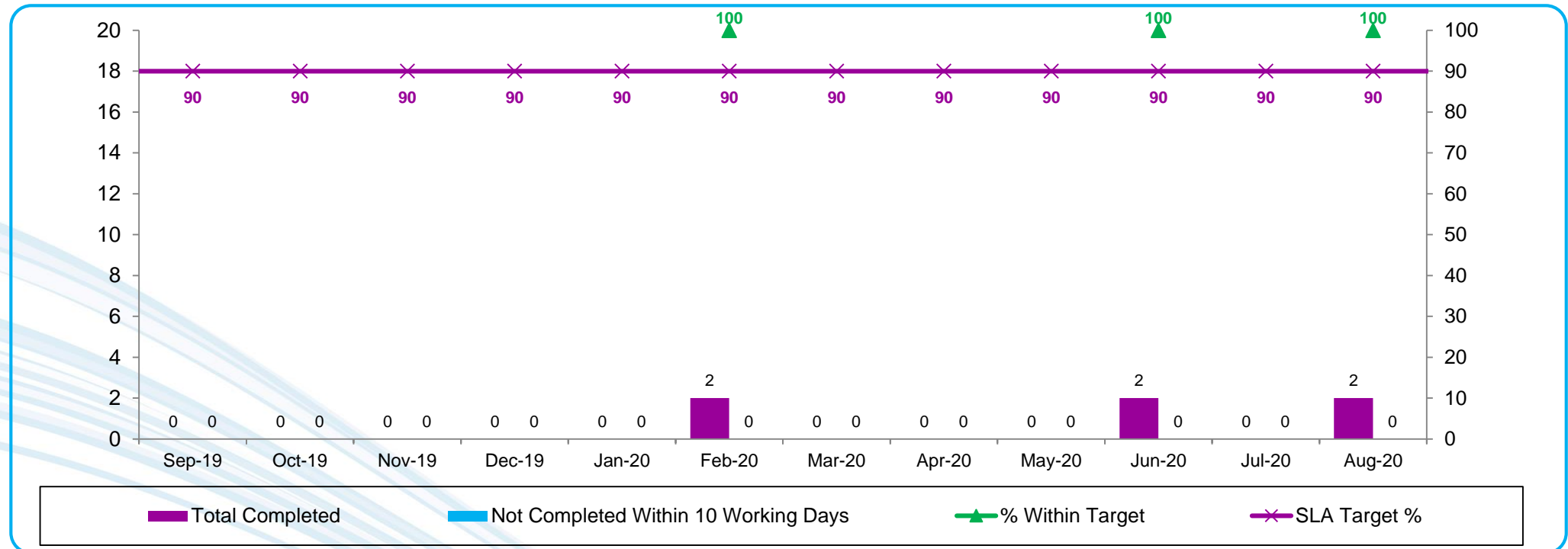
- This chart shows the number of cases and time period for issuing a CETV from receipt of all appropriate information, based on the SLA target.

SLA Target – Process transfer out and issue CETV statement



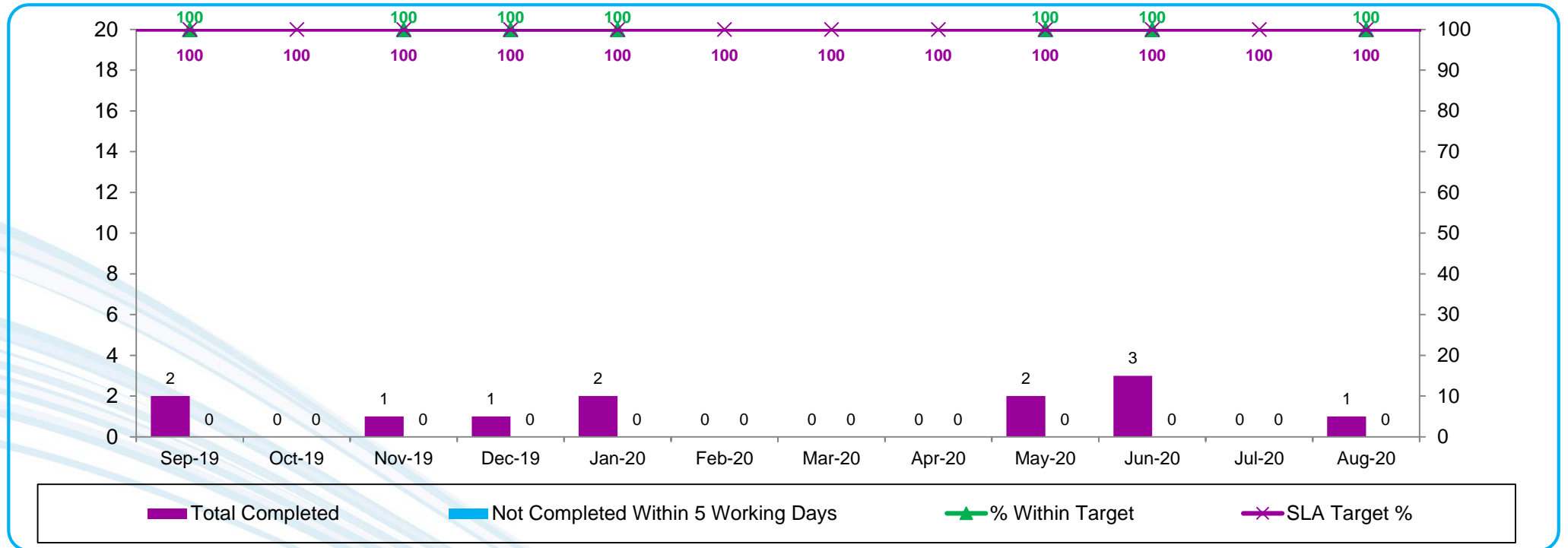
- This chart shows the number of cases and time period for processing transfer out payments from the receipt of all information needed to calculate the CETV, based on the SLA target.

SLA Target – Provide a divorce quotation



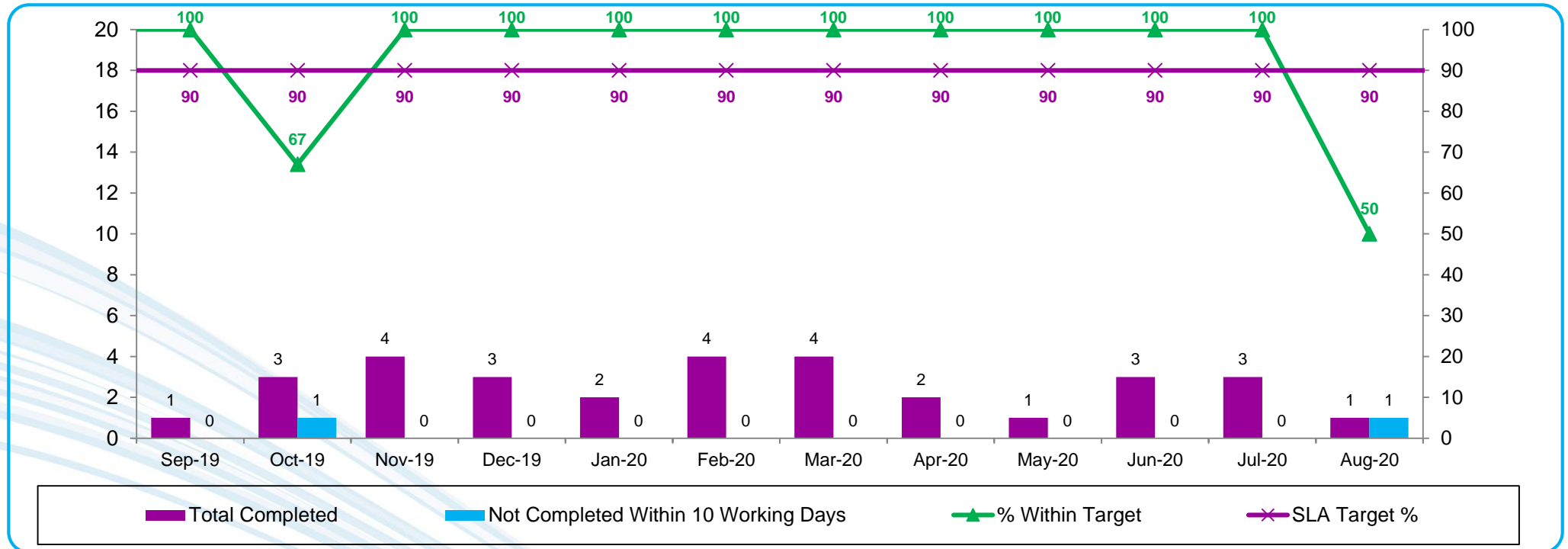
- This chart shows the number of cases and time period for providing a divorce quotation from receipt of all information, based on the SLA target.

SLA Target – Obtain details of beneficiaries after advice of death



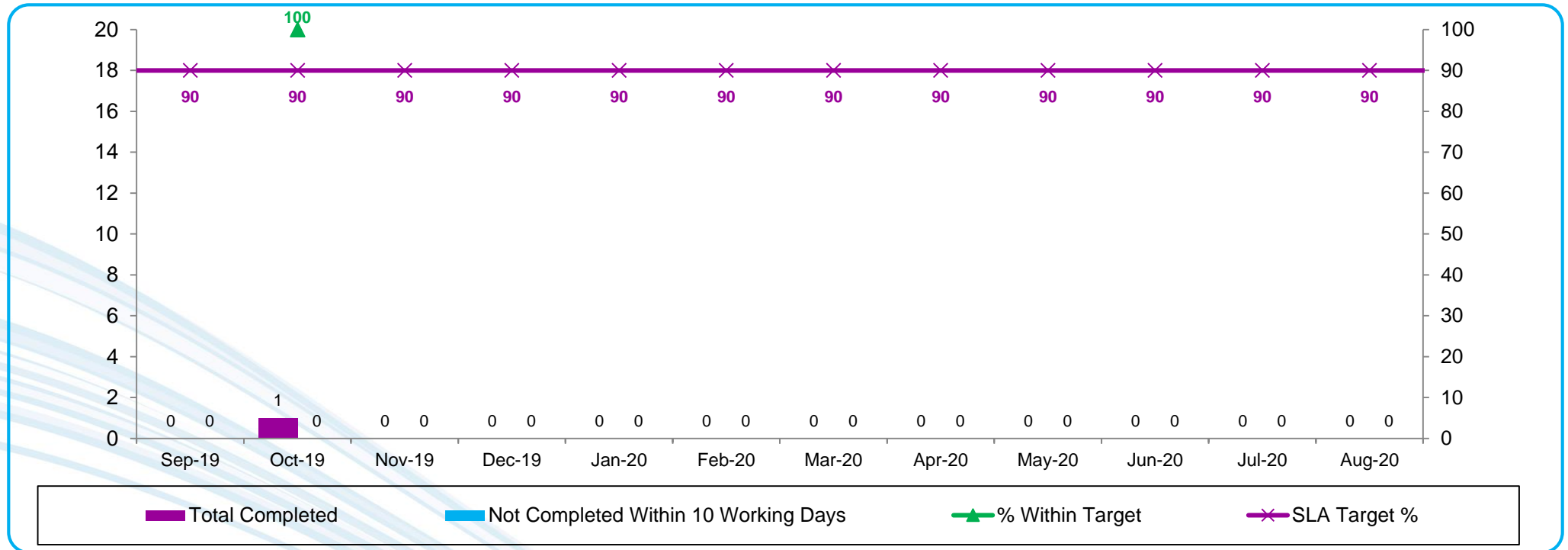
- This chart shows the number of cases and time period for obtaining details of beneficiaries, based on the SLA target.

SLA Target – Provide an estimate of benefits



- This chart shows the number of cases and time period for issuing an estimate of benefits from receipt of all appropriate information, based on the SLA target.

SLA Target – Calculate cost of purchasing additional pension and notify scheme member



- This chart shows the number of cases and time period for notifying member of cost of buying additional pension from receipt of request, based on the SLA target.

Appendix 2

Northamptonshire Firefighters' Pension Scheme – Breaches of the Law (September 2020)

| Requirement | Breach | Reason for Breach | Reported to the Pensions Regulator? | Action Plan | Scheme Manager notified? | Local Pension Board notified? | Action Plan completed? |
|---|---|-------------------|---|--|------------------------------------|------------------------------------|------------------------|
| A leaver of the pension scheme must be issued with an entitlement letter within two months of the scheme being notified | 2 entitlement letters have not been issued within 2 months of LGSS Pensions being notified that the scheme member had left the scheme | Process failure | No, immaterial to the Pensions Regulator. | All effected members have now received the entitlement letter and processes have been amended to ensure this requirement is met with an extra layer of scrutiny by a senior officer. | Yes, meeting of 14 September 2020. | Yes, meeting of 14 September 2020. | |

**NORTHAMPTONSHIRE
FIREFIGHTERS'
PENSION SCHEMES**



Local Pension Board

14 September 2020

Report by: THE HEAD OF LGSS PENSIONS

| | |
|------------------------------|---|
| Subject: | Age discrimination remedy (including cost control mechanism) |
| Purpose of the Report | To provide the Local Pension Board 1) the background to and an update on the age discrimination remedy in the Firefighters' Pension Schemes as a result of the case bought by Sargeant; and 2) an update on the paused cost control mechanism |
| Recommendations | To note the report. |
| Enquiries to: | Name: Jo Walton – Governance and Regulations Manager E-mail: jwalton@northamptonshire.gov.uk |

1. Background

- 1.1 In 2010 the coalition government commissioned Lord Hutton to review public sector pensions. In his final report in 2011 Lord Hutton recommended that the existing final salary pension schemes should be closed and a new pension scheme should be made available for public sector workers.
- 1.2 After a number of consultations the government enacted Lord Hutton's recommendations by the Public Service Pensions Act 2013. This primary legislation required the restriction of existing final salary schemes, however certain members could be protected and retain the rights to their previous scheme.
- 1.3 The Firefighters' Pension Scheme regulations 2014 provided this protection to all members of the scheme who would be 55 by 31 March 2022. It also provided tapered protection meaning that members were protected in their original scheme on a tapered basis depending on age until 31 March 2022. Anybody who did not qualify for protection or tapered protection was immediately moved into the Firefighters' Pension 2015 Scheme.
- 1.4 A legal challenge was bought by the Fire Brigades Union (FBU) on behalf of the Firefighters' Pension Scheme members on whether these protections constituted direct age discrimination, and indirect race and sex discrimination.
- 1.5 The legal argument focussed on two premises:
 - Did government have a legitimate aim in providing protection and tapered protection, and
 - Was the aim achieved proportionately.

2. Employment Tribunal and Appeal 2017

- 2.1 The case was first heard by the Employment Tribunal in January 2017 with the judge deciding the case determined that the government did have a legitimate aim and that this was achieved proportionately.
- 2.2 However, just before the firefighters' case was heard a similar case for members of the Judiciary Pension Scheme had been heard in November 2016. In that case the judge had determined that there was no legitimate aim and it was not proportionate.
- 2.3 As the issues in both cases were similar the Employment Appeal Tribunal decided to hear the case together but considering each scheme under its own merits. This case was heard in December 2017.
- 2.4 The judge decided that for judges (McCloud) the government did not have a legitimate aim and the effects were not proportionate, and for firefighters (Sargeant) the government did not have a legitimate aim, however, the case law supporting the decision on proportion was based on EU law and the judge should have considered UK law.

3. The Court of Appeal – November 2018

- 3.1 The case was appealed again and was heard by the Court of Appeal in November 2018 hearing both the judges' and firefighters' cases at the same time. The Court found that, having introduced the protections, the government should have justified the discriminatory impact but that it had failed to do so, and therefore justification on the grounds of legitimate aims must fail. As a result they dismissed any further deliberation over the question on proportionality of means.
- 3.2 The Court of Appeal dismissed any right to automatically submit an appeal to the Supreme Court. However, the government made an application to the Supreme Court seeking permission to appeal the Court's decision which was denied in June 2019 and the claimants' cases were remitted to the Employment Tribunal to determine the remedy.
- 3.3 In July 2019 the government made a written statement accepting the Court's decision and confirming their intention to engage with the Employment Tribunal to agree a remedy. The statement confirmed that the remedy would apply to all public service pension schemes and the government also confirmed their intention to extend the same treatment to all members, who are on the same legal and factual position as the claimants, whether they are claimants or not.
- 3.4 An interim order was made by the Employment Tribunal in December 2019 which stated that claimants would be treated as satisfying the age criteria regardless of their actual age, thereby providing protection to those members to be treated as members of the Firefighters' Pension Scheme 1992 as long as they had been in the scheme between at 31 March 2012 and 31 March 2015.
- 3.5 In March 2020 the Economic Secretary to the Treasury made a written statement regarding progress toward the remedy confirming that no qualifying scheme member will need to make a claim for the remedy to apply to them.

4. Formal HM Treasury's Consultation – July 2020

- 4.1 On 16 July 2020, HM Treasury published a consultation on proposals to remove the age discrimination resulting from the limitations of the protections to older members, together with an update on the employer cost cap process. The major proposals by HMT are:
- Protections will be extended to cover all unfunded scheme members who were in active scheme membership on 31 March 2012 and have membership in the reformed schemes (without a 5 year break) regardless of whether they have made a claim to a tribunal on this matter.
 - Protection will take the form of the right to membership of the relevant unfunded final salary scheme during the protected period which runs from 1 April 2015 to 31 March 2022.
 - Protection will be backdated for qualifying members even if they have left the scheme since the start of the protected period.
 - Accrual in all unfunded final salary schemes for existing and new protected members will cease at the end of the protected period.
 - Protected members will be given the opportunity to elect for benefits accrued during the protected period to be calculated on a CARE basis as an alternative to protected final salary benefits.
 - There are two proposals for when the election is to be made – immediate (soon after the proposals are in force) or deferred (when the member takes their benefits).
- 4.2 The consultation is open for comments until midnight on Sunday 11 October. The full consultation can be found at the following link:
- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/900766/Public_Service_Pensions_Consultation.pdf
- 4.3 The Home Office have issued a document covering frequently asked questions on the consultation which can be found at the following link:
- <http://www.fpsregs.org/images/Age-discrimination/Home-Office-McCloud-Sargeant-consultation-FAQs.pdf>

5. Next Steps

- 5.1 Following the end of the consultation period, the government will publish its response and announce the final policy decision. HM Treasury will then lay legislation in Parliament to amend the Public Service Pensions Act 2013 to enable government to enact these changes. The Home Office will simultaneously begin drafting and consulting on amendments to scheme regulations.
- 5.2 Removing the discrimination will take time but the government is committed to ensuring that all eligible members are treated equally and are able to choose to receive benefits under the terms of either their legacy scheme or the reformed scheme. This will not happen before 2022 but any payments will be backdated to 2015 where necessary.

6. Cost control mechanism (employer cost cap)

- 6.1 The 2015 reforms also introduced a mechanism to control the cost of public service pension schemes. The mechanism assesses the value of scheme to members and is designed to ensure members receive fair entitlement whilst ensuring costs remain sustainable. It has both a ceiling and a floor – when the costs increase above the ceiling or fall below the floor, member benefits are adjusted to meet the target cost.
- 6.2 Following the Court of Appeal’s judgement, the government announced a pause to the ‘cost control’ element of the 2016 scheme valuations, as the judgement led to significant uncertainty to assess the value of benefits.
- 6.3 Now that progress has been made on the remedy and the government’s consultation has been released and the amount of uncertainty on the value of benefits has lessened, the pause to the cost control mechanism has now been lifted and the government has started the process to complete the cost control element of the 2016 valuations.
- 6.4 When the mechanism was established it was agreed that it would consider ‘member costs’ (costs that affect the value of schemes to members). As the proposals in the consultation will increase the value of schemes to members, member costs will be considered as part of the completion of the cost control element of the 2016 valuation process. It has been confirmed that employer contribution rates will not be affected. The government has published an ‘Update on the Cost Control Element of the 2016 Valuations’ containing further information. This can be found at the following link:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901141/Update_on_the_Cost_Control_Element_of_the_2016_Valuations.pdf

7. Finance & Resources Implications

- 7.1 There are no communication implications associated with this report at this time. However, these implications will need to be considered following the government’s final policy on eliminating the age discrimination and once the cost control mechanism process has been completed for the 2016 valuations.

8. Risk Implications

a) Risk(s) associated with the proposal

| Risk | Mitigation | Residual Risk |
|----------------------------|-------------------|----------------------|
| This report is for noting. | N/A | N/A |

b) Risk(s) associated with not undertaking the proposal

| Risk | Risk Rating |
|----------------------------|--------------------|
| This report is for noting. | N/A |

9. Communication Implications

9.1 There are no communication implications associated with this report at this time.

10. Legal Implications

10.1 There are no communication implications associated with this report at this time.

11. Consultation with Key Advisers

11.1 Not applicable for this report.

12. Alternative Options Considered

12.1 There are no alternative options to be considered.

| Checklist of Key Approvals | |
|---|--------------------------|
| Has this report been cleared by Head of Pensions? | Mark Whitby – 03/09/2020 |

**NORTHAMPTONSHIRE
FIREFIGHTERS' PENSION
SCHEME**



LOCAL PENSION BOARD

14 September 2020

Report by: THE HEAD OF LGSS PENSIONS

| | |
|------------------------------|--|
| Subject: | Northamptonshire Firefighters' Pension Scheme(s) Risk Register |
| Purpose of the Report | To review the Northamptonshire Firefighters' Pension Scheme(s) Risk Register |
| Recommendations | <p>The Local Pension Board are asked to</p> <ol style="list-style-type: none"> 1) Review the current risks on the Northamptonshire Firefighters' Pension(s) Scheme Risk Register (paragraph 3.1 /appendix 1); 2) Provide risk ratings and controls for the new risks identified (paragraph 3.2 and 3.3 / appendix 1); and 3) Approve and add to where necessary the risk log (paragraph 3.2/appendix 2) |
| Enquiries to: | Name – Jo Walton – LGSS Pensions Governance and Regulations Manager E-mail – jwalton@northamptonshire.gov.uk |

1. Background

1.1 The Public Service Pensions Act 2013 added an additional provision to the Pensions Act 2004 relating to the requirements to have internal controls in public service pension schemes. The Pensions Regulator's code of practice guidance on internal controls requires scheme managers to carry out a risk assessment and produce a risk register which should be reviewed regularly.

2. The Northamptonshire Firefighters Pension Scheme(s) Risk Register

2.1 At the March and June 2020 meeting of the Local Pension Board a draft risk register was presented for discussion. The discussion resulted in a number of changes as identified in the minutes of those meetings.

2.2. The changes have now been incorporated into the risk register which can be found in appendix 1.

3. Review of the Risk Register

3.1 It is considered good practice to review the risk register at every meeting of the Local Pension Board to ensure that all existing risks and risk ratings remain appropriate, to add or amend controls and to add any additional risks that have arisen since the last review.

3.2 At the June 2020 meeting of the Local Pension Board it was agreed to add a risk to the risk register concerning the current and potential future pandemics and the risk to pensions administration and the activities of the Board. It was also agreed that a risk log be drafted to record all the risks associated with the current pandemic, most notably the potential issues around LGSS Pensions working from home and the continuation of business as usual pensions administration activities.

3.3 In addition, the Local Pension Board need to decide on the appropriate controls that need to be added to the risk register concerning the risk entitled ***'Interruption to pensions administration and accounting function following end of the existing service level agreement with LGSS Pensions on 31 March 2021'***.

4. Finance & Resources Implications

4.1 There are no financial and resource implications associated with this risk register.

5. Risk Implications

a) Risk(s) associated with the proposal

| Risk | Mitigation | Residual Risk |
|------|---|---------------|
| None | A frequently reviewed risk register highlights areas of concern and allows for appropriate controls to be put in place. | Green |

b) Risk(s) associated with not undertaking the proposal

| Risk | Risk Rating |
|---|-------------|
| If risks are not monitored the authority will not demonstrate that it has appropriate control over the management of the risks it faces | Red |

6. Communication Implications

| | |
|---------|--|
| Website | The risk register and strategy will be uploaded to the Firefighters' Pension Scheme pages of the LGSS Pensions website once finalised. |
|---------|--|

7. Legal Implications

7.1 Not applicable

8. Consultation with Key Advisers

8.1 Not applicable.

9. Alternative Options Considered

9.1 Not applicable

10. Background Papers

10.1 Not applicable

11. Appendices

Appendix 1 – Risk register

Appendix 2 – Coronavirus risk log

| Checklist of Key Approvals | |
|---|-------------------------|
| Has this report been cleared by Head of Pensions? | Mark Whitby – 03/092020 |

**Agenda Item No: 6 Appendix 1 – Northamptonshire Fire Authority - Firefighters Pension Scheme Risk Register
(template provided by The Pensions Regulator)**

| Risk area 1 – Operations | Likelihood (1:low, 5: high) | Impact (1:low, 5: high) | Score (likelihood x impact) | Control | Owner | Comment | |
|--|---|---|---|--|--------------------------------------|---|-------------------|
| Operational disaster (fire/flood) | 3 | 2 | 6 | Business continuity plans in place for the Pensions Service | LGSS Pensions | Local Pension Board to review LGSS Pensions Service business continuity plan as part of contract review. | |
| | | | | Business continuity plans in place for scheme manager | Scheme Manager | NFRS Business Continuity Plans in place. | |
| Member data incomplete or inaccurate | 2 | 2 | 4 | | | Risk to be reviewed at each pension board meeting. | |
| Administration process failure / maladministration | 1 | 2 | 2 | | | Regular checks on data as detailed in the data improvement plan in order to comply with various sets of legislation on record keeping and data quality. | LGSS Pension |
| | | | | Authority levels clearly agreed and kept up to date | Scheme Manager | Formal agreement in place with administrator, including SLAs | Chief Fire Office |
| Interruption to pensions administration and accounting function following end of the existing service level agreement with LGSS Pensions on 31 March 2021. | 3 | 3 | 9 | [To be completed by Scheme Manager / Local Pension Board] | Scheme Manager / Section 151 Officer | | |
| Interruption to pensions administration and accounting function as a result of a pandemic / epidemic | [To be completed by Scheme Manager / Local | [To be completed by Scheme Manager / Local | [To be completed by Scheme Manager / Local | Business continuity plans in place for LGSS Pensions. | LGSS Pensions | See risk log. | |

| | | | | | | |
|--|-----------------------|-----------------------|-----------------------|---|--------------------------------|---|
| requiring social distancing measures. | Pension Board] | Pension Board] | Pension Board] | | | |
| Risk area 2 – Financial | | | | | | |
| Officers acting outside of delegated responsibility | 2 | 2 | 4 | Regular reviews of policy and constitution | Scheme Manager | To be reviewed by Scheme Manager. |
| | | | | Appropriate approval measures in place | LGSS Pensions | |
| Risk area 3 – Funding | | | | | | |
| Employer fails to deduct and pay-over pension contributions | 2 | 2 | 4 | Monthly monitoring of contribution payments by payroll manager and administrators | LGSS Pensions / Scheme Manager | Linked to internal audit programme – payroll and improvement plan. To be reviewed by Section 151 Officer. |
| Risk area 4 – Regulatory and Compliance | | | | | | |
| Failure to respond to emerging legislation or legal precedent. | 2 | 2 | 4 | Up to date and documented evidence of training for Local Pension Board members | LGSS Pensions | Initial training for Local Pension Board members completed – to be continually reviewed. |
| | | | | Regular training, technical advice and updates | LGSS Pensions | To be reviewed as part of the SLA |
| | | | | Local Pension Board Annual report | Scheme Manager | |
| Conflicts of interest | 3 | 3 | 9 | Local Pension Board awareness of legal responsibilities | Pension Board Chair | Local Pension Board member training has been revised in light of changes to membership. Future training reviewed to ensure it meets the needs of the Board members. |
| | 3 | 2 | 6 | All Local Pension Board members to | Scheme Manager | Member and employer Local Pension Board members all likely to be members |

| | | | | | | |
|--|--|--|--|---|--|--|
| | | | | declare any conflicts and potential conflicts | | of the Firefighters' Pension Schemes (with the exception of the Section 151 Officer). Declarations to be recorded at next Local Pension Board meeting. |
|--|--|--|--|---|--|--|

RISK SCORING MATRIX

| | | | | | | |
|--|--------------------|-------------------------------------|------------|------------|----------|------------------|
| Potential impact if risk occurred | 5 Catastrophic | 5 | 10 | 15 | 20 | 25 |
| | 4 Major | 4 | 8 | 12 | 16 | 20 |
| | 3 Moderate | 3 | 6 | 9 | 12 | 15 |
| | 2 Minor | 2 | 4 | 6 | 8 | 10 |
| | 1 Insignificant | 1 | 2 | 3 | 4 | 5 |
| | | 1 Rare | 2 Unlikely | 3 Possible | 4 Likely | 5 Almost certain |
| | | Likelihood of risk occurring | | | | |

Red (risk scores 15 to 25): Excess of risk appetite

Yellow (risk scores 7 to 14): Likely to cause some difficulties

Green (risk scores 1 to 6): Monitor as necessary

Appendix 3 –

IMPACT DESCRIPTORS

The following descriptors are designed to assist the scoring of the impact of a risk:

| | Negligible (1) | Low (2) | Medium (3) | High (4) | Very High (5) |
|-----------------------------|--|--|--|--|--|
| Legal and Regulatory | Minor civil litigation or regulatory criticism | Minor regulatory enforcement | Major civil litigation and/or local public enquiry | Major civil litigation setting precedent and/or national public enquiry | Section 151 or government intervention or criminal charges |
| Financial | <£0.5m | <£1m | <£5m | <£10m | >£10m |
| Service provision | Insignificant disruption to service delivery | Minor disruption to service delivery | Moderate direct effect on service delivery | Major disruption to service delivery | Critical long term disruption to service delivery |
| Reputation | No reputational impact | Minimal negative local media reporting | Significant negative front page reports/editorial comment in the local media | Sustained negative coverage in local media or negative reporting in the national media | Significant and sustained local opposition to policies and/or sustained negative media reporting in national media |

Northamptonshire Firefighters' Pension Scheme
Coronavirus Risk Log

| Description of risk | Risk Assessment | | | RAG | Actions taken or being taken | Current status | Mitigations / Comments |
|--|-----------------|------------|------------|-----|--|----------------|--|
| | Impact | Likelihood | Risk Level | | | | |
| Wellbeing issues (the virus itself, other sickness, mental health) | 3 | 2 | 6 | G | Wellbeing information made available by Northamptonshire County Council; social distancing being observed in the office; incidents of self-isolation, illness and recovery being monitored weekly. | Ongoing | Minimise the number of people working in the office. Line managers to regularly check in with team members. Wellbeing and safe working reminders. |
| Resource issues (due to numbers of people too unwell to work) | 4 | 2 | 8 | A | Contingency plans being put in place to ensure cover for all key posts; priority work identified | Ongoing | Redeploy resource from other areas of the service and/or Northamptonshire County Council. |
| IT issues - minor (such as individual connection, password reset issues) | 1 | 5 | 5 | G | All staff tested ability to work from home prior to lockdown. New issues to be reported to line manager or IT immediately. | Done | Extra support from IT. Allow people to be flexible and work around issue. Staff to work in the office providing social distancing can be observed. |
| IT issues - major (such as network failure, broadband capacity issues) | 4 | 2 | 8 | A | IT network being monitored by Northamptonshire County Council. | Ongoing | Extra support from IT. Direct staff to do other non IT based work - studying, training or take annual leave where priorities allow. Allow people to be flexible and work around issue. |
| Changes to and issues with incoming and outgoing post. | 2 | 2 | 4 | G | Being monitored by Northamptonshire County Council. All post held securely in OAS post room until collected by designated officer. | Ongoing | Members informed of potential delays receiving and sending post (via website, voicemail and automatic email responses). Use of member self service to send documentation to registered scheme members. Continual promotion of member self service. |
| Problems with making payments (retirement and death grants, refunds, transfers, pensioner payroll, BACS, CHAPS) | 4 | 2 | 8 | A | Existing payment procedures being monitored with suppliers/providers of those services. | Ongoing | Suppliers/providers of services business continuity plans. |
| Complaints from members regarding delayed response times | 1 | 1 | 1 | G | Information on website, voicemail and automatic replies to emails. | Ongoing | Member self service available for members. |
| Increases in number of retirement and death workloads | 2 | 2 | 4 | G | Workloads prioritised; team analysis skills check carried out; staff resilience plan for key roles being put in place; workloads being monitored | Ongoing | Inform members of potential delays. Redeploy resource from other areas of the service and/or Northamptonshire County Council. |
| Inability to print from the office due to inability to access office or lack of resource | 2 | 3 | 6 | G | One staff member printing when attends office to deal with post. Use of member self service for registered members to receive correspondence. | Ongoing | Inform members of potential delays. Redeploy resource from other areas of the service and/or Northamptonshire County Council. Further promotion of member self service. |
| Increased risk of cyber-crime | 3 | 4 | 12 | A | Mandatory online training to increase knowledge of cyber-crime | Ongoing | Regular reminders to staff to increase vigilance. Organisation wide cyber-crime messaging via regular briefings. |
| Increased number of data breaches (due to newness of working from home, changes to procedures, changes to work asked to do and so on) or delays in reporting | 5 | 2 | 10 | A | Mandatory online training to increase knowledge of how to avoid a data breach | Ongoing | Regular reminders issued to staff. |
| Advisers and consultants to the Fund or other internal departments relied upon have limited staff resulting in low service | 3 | 2 | 6 | G | Lines of communication being kept open with regular updates; assurance documents received being kept, business continuity plans | Ongoing | Consider alternative suppliers where issues are urgent. |
| Liquidity issues/ensuring cash flow | 5 | 2 | 10 | A | More regular monitoring of cash flows. Earlier planning of cash calls. | Ongoing | N/A - BAU process/risk |
| External Parties not available to provide Closedown information to complete the Statement of Accounts | 3 | 2 | 6 | G | Regular contact with all parties involved to mitigate any possible delays. | Ongoing | Gathering of information nearly complete |
| Authorisers for payments are not available resulting in payments not being made to pensioners, members or suppliers | 4 | 1 | 4 | G | Ensuring resilience in arrangements through technology and additional cover | Ongoing | The Administering Authority's business continuity plans. |
| Lack of monitoring of income collection | 3 | 2 | 6 | G | Established monitoring procedures in place | Ongoing | N/A - BAU process/risk |

**NORTHAMPTONSHIRE
FIREFIGHTERS'
PENSION SCHEMES**



LOCAL PENSION BOARD

14 September 2020

Report by: THE HEAD OF LGSS PENSIONS

| | |
|------------------------------|--|
| Subject: | Training Plan |
| Purpose of the Report | To summarise the findings of the training needs analysis undertaken by the Scheme Manager and members of the Local Pension Board. |
| Recommendations | To agree the proposed training plan resulting from the training needs analysis (paragraph 4.1) |
| Enquiries to: | Name – Jo Walton, LGSS Pensions Governance and Regulations Manager E-mail – jwalton@northamptonshire.gov.uk |

1. Background

- 1.1 The Member Training Policy is in place to assist the Local Pension Board in performing and developing their individual role with the ultimate aim of ensuring that the Northamptonshire Firefighters' Pension Schemes are managed and assisted by individuals who have the appropriate level of knowledge and skills as required by the Public Service Pensions Act 2013.
- 1.2 In accordance with the Public Service Pensions Act 2013, each member of the Local Pension Board (LPB) should have the capacity to become conversant with, and will develop a knowledge and understanding of the rules of the relevant Firefighters' Pension Schemes and the law relating to pensions and such other matters.
- 1.3 The Local Pension Board are required to attain knowledge in the following areas:
- Legislative framework of Firefighter Pension Scheme(s)
 - General applicable pension legislation
 - Role and responsibilities of the Local Pension Board
 - Role and responsibilities of the Scheme Manager
 - Role of responsibilities of the scheme employer(s)
- 1.4 The knowledge required can be obtained through a variety of methods and the policy ensures that key assessment and training is undertaken. These comprise of a training needs analysis, completion of the Pensions Regulator Toolkit and attendance at the Scheme Advisory Board annual training.
- 1.5 The Member Training Policy was last reviewed and approved by the Local Pension Board at the meeting of 9 March 2020 and can be found in appendix 1 of this report.

2. Training needs analysis

- 2.1 At the 9 March 2020 meeting of the Local Pension Board it was agreed that all members of the Local Pension Board and the Scheme Manager would undertake the training needs analysis found in appendix 1a with a view to producing a training scheduled for the following year.
- 2.2 The training needs analysis was completed by three out of the four members of the Local Pension Board and the Scheme Manager. The training needs analysis asked for a rating of the level of knowledge the individual felt that they had in specific areas relating to the governance and administration of the Firefighters' Pension Scheme.
- 2.3 The results have been collated and can be found in appendix 2. Where 25% or more of individuals felt that they were unsure of their level of knowledge on a specific area this was rated as a (red) priority item for training. Where at least 50% of individuals felt that they were almost confident in their knowledge in a specific area this has a second level (amber) priority for training. Where 75% of individuals felt familiar with the area of knowledge these items have been classified as a lower level (green) priority for training.

3. Training plan

- 3.1 Based on the scores of knowledge certainty as detailed in 2.3 and appendix 2 it is proposed that the future training plan should cover the items based on a combination of priority and topics that fit best together.
- 3.2 A proposed plan of training up to 31 March 2021 and to be delivered by LGSS Pensions within the Local Pension Board meetings scheduled for 7 December 2020 and 8 March 2021 can be found in appendix 3. Any remaining items not covered by the 31 March 2021 will need to be carried forward into 2021/22.

4. Recommendations

- 4.1 The Local Pension Board are asked to approve and undertake the proposed training schedule to ensure their skills and knowledge are of an appropriate level to undertake the responsibilities as set out in the Public Service Pensions Act 2013 2013.

5. Risk Implications

a) Risk(s) associated with the proposal

| Risk | Mitigation | Residual Risk |
|--|---|----------------------|
| Insufficient resources being available to deliver or arrange the required training | Officers will monitor these risks and will act accordingly in the best interest of the Pension Scheme in conjunction with the Chairman of the Local Pension Board | Amber |
| The quality of advice or training provided is not to an acceptable standard | | |
| Changes in membership potentially diminishing knowledge and understanding | | |

| Risk | Mitigation | Residual Risk |
|---|-------------------|----------------------|
| Poor attendance at training and/or formal meetings resulting in poor standard of knowledge accrual and maintenance of knowledge | | |

b) Risk(s) associated with not undertaking the proposal

| Risk | Risk Rating |
|---|--------------------|
| If the policy is not approved or enacted non-compliance with the Pension Regulator's Code of Practice and Section 248A of The Pensions Act 2004 may result. | Green |

6. Finance & Resources Implications

6.1 Consideration will be given to various training resources available in delivering required training to Members of the Local Pension Board and in the most efficient manner.

7. Communication Implications

7.1 Not applicable.

8. Legal Implications

8.1 Not applicable.

9. Consultation with Key Advisers

9.1 None.

10. Alternative Options Considered

10.1 There are no alternative options to be considered.

11. Background Papers

11.1 Not applicable

12. Appendices

Appendix 1 – Member Training Policy 2020

Appendix 1a – Training Needs Analysis

Appendix 2 – Training Needs Analysis 2020 – Summary of results

Appendix 3 – Training Plan 2020/21

| Checklist of Key Approvals | |
|---|--------------------------|
| Has this report been cleared by Head of Pensions? | Mark Whitby – 03/09/2020 |

Member Training Policy

2020

**NORTHAMPTONSHIRE FIREFIGHTERS' PENSION
SCHEME(s)**

1. Introduction

- 1.1 This is the Member Training Policy for the Firefighters' Pension Schemes, which is managed by Northamptonshire County Council (the Scheme Manager).
- 1.2 The day to day administration of the Firefighters' Pension Schemes is carried out by LGSS Pensions, a joint partnership of Cambridgeshire County Council, Northamptonshire County Council and Milton Keynes Council.

2. Purpose of the Policy

- 2.1 The policy is designed to provide assurance to stakeholders that:
 - Ensure the Local Pension Board is constituted by people who have the appropriate knowledge and expertise to assist the Scheme Manager in ensuring the Firefighters' Pension Schemes are being managed and operated in an effective and efficient way;
 - Ensure decisions are robust, are well founded and comply with regulatory requirements or guidance from the Pensions Regulator and the Scheme Advisory Board.

3. Effective Dates and Reviews

- 3.1 This policy was approved by the Local Pension Board on 10 September 2018 and was reviewed for continuing appropriateness at the meeting of the 9 March 2020..
- 3.2 The Local Pension Board will review the training policy on an annual basis.

4. Scope

- 4.1 The policy applies to Local Pension Board members and the Scheme Manager.

5. Legal Requirements

- 5.1 In accordance with the Public Service Pensions Act 2013, each member of the Local Pension Board (LPB) should have the capacity to become conversant with, and will develop a knowledge and understanding of the rules of the relevant Firefighters' Pension Schemes and the law relating to pensions and such other matters

6. The Pensions Regulator Code of Practice

- 6.1 The Pensions Regulator's statutory objectives include protecting the benefits of pension scheme members and promoting the good administration of work-based pension schemes.
- 6.2 The Pensions Regulator has a number of regulatory tools, including issuing codes of practice, to enable it to meet its objectives.

- 6.3 The code of practice number 14 (governance and administration of public service pension schemes) is structured as a reference for scheme managers and pension boards to use to inform their actions in four core areas:
- governing the scheme;
 - managing risks;
 - administration; and
 - resolving issues.
- 6.4 The section of the code of practice covering governance of the scheme contains the expectations of the scheme manager and local pension board members in terms of knowledge and understanding.
- 6.5 Whilst codes of practice are not statements of the law and there is no penalty for failing to comply with them, codes have legal effect; they must be taken into account by the regulator, a court or tribunal, if they are relevant to what is being decided.
- 6.6 This policy has been written fully incorporating the expectations of the Pensions Regulator as laid out in the code of practice.

7. Knowledge required

- 7.1 The Local Pension Board are required to attain knowledge in the following areas:
- Legislative framework of Firefighter Pension Scheme(s)
 - General applicable pension legislation
 - Role and responsibilities of the Local Pension Board
 - Role and responsibilities of the Scheme Manager
 - Role of advisors and key personnel

8. Delivery of training

- 8.1 It is for individual Local Pension Board members to ensure they have the appropriate knowledge and understanding to enable them to properly exercise their functions as a member of the Local Pension Board. This knowledge and understanding must be kept up to date.
- 8.2 As a guide four training opportunities should be undertaken by members in a year.
- 8.3 Members will be expected to undertake a personal training needs analysis shortly after appointment to inform of further training required. The Pensions Regulator's public service toolkit is also a compulsory requirement and all members will be expected to complete within 6 months of appointment.
- 8.4 LGSS Pensions will provide members with upcoming events that maybe relevant, however, it is also the responsibility of Board members to take an interest in training and request to go on relevant courses as appropriate.
- 8.5 LGSS Pensions will maintain a written record of training and development undertaken and will send to members annually.

9. The Firefighters' Pensions (England) Scheme Advisory Board

9.1 Each Local Pension Board is entitled to a free annual training session, funded by the statutory levy. Training will be delivered at a local venue and will be compulsory for all members to attend unless there is a substantial reasons why a member is unable to do so.

10. Reporting

10.1 Each year the Chairman of the Local Pension Board will presented with details of the training opportunities that have been undertaken by members. The Chairman in conjunction with the Scheme Manager will determine whether sufficient training has been undertaken and will contact members individually if appropriate to do so.

11. Useful Links

11.1 The Firefighters' Pensions (England) Scheme Advisory Board
<http://www.fpsboard.org/index.php/local-pension-boards/training>

The Pensions Regulator Toolkit

<http://www.thepensionsregulator.gov.uk/public-service-schemes/learn-about-managing-public-service-schemes.aspx>

Firefighters' Pension Scheme(s) Training Needs Analysis

This document can be used by delegates as part of their assessment of training needs.

Delegate's Name: _____

TRAINING NEEDS ANALYSIS – Self Assessment

Please tick appropriate level of knowledge for each topic

| Topic | Familiar | Almost | Unsure |
|---|----------|--------|--------|
| Background and Understanding of the Legislative Framework of the Fire Pension Scheme | | | |
| Differences between public service pension schemes like the FPS and private sector trust-based schemes | | | |
| Role of the Independent Public Service Pensions Commission | | | |
| Key provisions of the Public Service Pensions Act 2013 | | | |
| The structure of the scheme and the main bodies involved including the Responsible Authority, the Scheme Manager, the Scheme Advisory Board, the Local Pension Board and the scheme employer. | | | |
| An overview of local authority law and how Administering Authorities are constituted and operate | | | |
| Scheme and connected scheme rules overview (including the Regulations) | | | |

| General pensions legislation applicable to the schemes- An overview of wider legislation relevant to the schemes including: | | | |
|--|--|--|--|
| Automatic Enrolment (Pensions Act 2008) | | | |
| Contracting out (Pension Schemes Act 1993) | | | |
| The General Data Protection Regulation 2016 | | | |
| Employment legislation including anti-discrimination, equal treatment, family related leave and redundancy rights | | | |
| Freedom of Information (Freedom of Information Act 2000) | | | |
| Pensions sharing on divorce (Welfare Reform and Pensions Act 1999) | | | |
| Tax (Finance Act 2004) | | | |

| Role and responsibilities of the Local Pension Board | | | |
|---|--|--|--|
| Role of the Local Pension Board | | | |
| Conduct and conflicts | | | |
| Reporting of breaches | | | |
| Knowledge and understanding | | | |

| Role and responsibilities of the Scheme Manager | | | |
|--|--|--|--|
| Membership and eligibility | | | |
| Benefits and the payment of benefits | | | |
| Decisions and discretions | | | |
| Disclosure of information | | | |
| Record keeping | | | |
| Internal controls | | | |
| Internal dispute resolution | | | |
| Reporting of breaches | | | |
| Statements, reports and accounts | | | |

Appendix 2 Training Needs Analysis 2020 – Summary of results

| Area | Topic | Familiar | Almost | Unsure | Priority |
|---|---|----------|--------|--------|----------|
| Background and Understanding of the Legislative Framework of the Fire Pension Scheme | Differences between public service pension schemes like the FPS and private sector trust-based schemes | 50% | 50% | | Amber |
| | Role of the Independent Public Service Pensions Commission | 75% | 25% | | Green |
| | Key provisions of the Public Service Pensions Act 2013 | 25% | 50% | 25% | Red |
| | The structure of the scheme and the main bodies involved including the Responsible Authority, the Scheme Manager, the Scheme Advisory Board, the Local Pension Board and the scheme employer. | 50% | 50% | | Amber |
| | An overview of local authority law and how Administering Authorities are constituted and operate | 25% | 75% | | Amber |
| | Scheme and connected scheme rules overview (including the Regulations) | | 75% | 25% | Red |
| General pensions legislation applicable to the schemes (an overview of wider legislation relevant to the schemes) | Automatic Enrolment (Pensions Act 2008) | 50% | 25% | 25% | Red |
| | Contracting out (Pension Schemes Act 1993) | 25% | 25% | 50% | Red |
| | The General Data Protection Regulation 2016 | 50% | 50% | | Amber |
| | Employment legislation including anti-discrimination, equal treatment, family related leave and redundancy rights | 25% | 75% | | Amber |
| | Freedom of Information (Freedom of Information Act 2000) | 50% | 50% | | Amber |
| | Pensions sharing on divorce (Welfare Reform and Pensions Act 1999) | | 50% | 50% | Red |
| | Tax (Finance Act 2004) | | 100% | | Amber |
| Role and responsibilities of the Local Pension Board | Role of the Local Pension Board | 100% | | | Green |
| | Conduct and conflicts | 75% | 25% | | Green |
| | Reporting of breaches | 75% | 25% | | Green |
| | Knowledge and understanding | 25% | 75% | | Amber |
| Role and responsibilities of the Scheme Manager | Membership and eligibility | 75% | 25% | | Green |
| | Benefits and the payment of benefits | 25% | 75% | | Amber |
| | Decisions and discretions | | 100% | | Amber |
| | Disclosure of information | 25% | 75% | | Amber |
| | Record keeping | 25% | 75% | | Amber |
| | Internal controls | 25% | 75% | | Amber |
| | Internal dispute resolution | 50% | 50% | | Amber |
| | Reporting of breaches | 25% | 75% | | Amber |
| Statements, reports and accounts | 25% | 50% | 25% | Red | |

| Area | Topic | Familiar | Almost | Unsure | Priority |
|---|--|----------|--------|--------|----------|
| Role and responsibilities of scheme employers | Automatic Enrolment | 25% | 25% | 50% | Red |
| | Deduction and payment of contributions | 25% | 50% | 25% | Red |
| | Special contributions | | 50% | 50% | Red |
| | Employer decisions and discretions | | 75% | 25% | Red |
| | TUPE and outsourcing (including Fair Deal and the Best Value Authorities Staff Transfers (Pensions) Directions 2007) | | 50% | 50% | Red |

Key - 25% or more of individuals felt that they were unsure of their level of knowledge on a specific area this was rated as a (red) priority item for training.

At least 50% of individuals felt that they were almost confident in their knowledge in a specific area this has a second level (amber) priority for training.

75% or more of individuals felt familiar with the area of knowledge these items have been classified as a lower level (green) priority for training.

Appendix 3 – Training Plan 2020/21

Items of training to be delivered at the 7 December 2020 meeting of the Local Pension Board

| Area | Topic | Familiar | Almost | Unsure | Priority |
|---|---|----------|--------|--------|----------|
| Background and Understanding of the Legislative Framework of the Fire Pension Scheme | Differences between public service pension schemes like the FPS and private sector trust-based schemes | 50% | 50% | | Amber |
| | Role of the Independent Public Service Pensions Commission | 75% | 25% | | Green |
| | Key provisions of the Public Service Pensions Act 2013 | 25% | 50% | 25% | Red |
| | The structure of the scheme and the main bodies involved including the Responsible Authority, the Scheme Manager, the Scheme Advisory Board, the Local Pension Board and the scheme employer. | 50% | 50% | | Amber |
| General pensions legislation applicable to the schemes (an overview of wider legislation relevant to the schemes) | Automatic Enrolment (Pensions Act 2008) | 50% | 25% | 25% | Red |
| | Contracting out (Pension Schemes Act 1993) | 25% | 25% | 50% | Red |
| | The General Data Protection Regulation 2016 | 50% | 50% | | Amber |
| | Employment legislation including anti-discrimination, equal treatment, family related leave and redundancy rights | 25% | 75% | | Amber |
| | Freedom of Information (Freedom of Information Act 2000) | 50% | 50% | | Amber |
| | Pensions sharing on divorce (Welfare Reform and Pensions Act 1999) | | 50% | 50% | Red |
| | Tax (Finance Act 2004) | | 100% | | Amber |
| | Reporting of breaches | 75% | 25% | | Green |
| Knowledge and understanding | 25% | 75% | | Amber | |

Items of training to be delivered at the 8 March 2021 meeting of the Local Pension Board

| | | | | | |
|---|--|-----|------|-----|-------|
| Role and responsibilities of the Scheme Manager | Membership and eligibility | 75% | 25% | | Green |
| | Benefits and the payment of benefits | 25% | 75% | | Amber |
| | Decisions and discretions | | 100% | | Amber |
| | Disclosure of information | 25% | 75% | | Amber |
| | Record keeping | 25% | 75% | | Amber |
| | Internal controls | 25% | 75% | | Amber |
| | Internal dispute resolution | 50% | 50% | | Amber |
| | Statements, reports and accounts | 25% | 50% | 25% | Red |
| Role and responsibilities of the scheme employer(s) | Automatic Enrolment | 25% | 25% | 50% | Red |
| | Deduction and payment of contributions | 25% | 50% | 25% | Red |
| | Special contributions | | 50% | 50% | Red |
| | Employer decisions and discretions | | 75% | 25% | Red |

Items of training to be delivered post April 2021

| Area | Topic | Familiar | Almost | Unsure | Priority |
|--|--|-----------------|---------------|---------------|-----------------|
| Background and Understanding of the Legislative Framework of the Fire Pension Scheme | An overview of local authority law and how Administering Authorities are constituted and operate | 25% | 75% | | Amber |
| | Scheme and connected scheme rules overview (including the Regulations) | | 75% | 25% | Red |
| Role and responsibilities of the Local Pension Board | Role of the Local Pension Board | 100% | | | Green |
| | Conduct and conflicts | 75% | 25% | | Green |
| Role and responsibilities of the scheme employer(s) | TUPE and outsourcing (including Fair Deal and the Best Value Authorities Staff Transfers (Pensions) Directions 2007) | | 50% | 50% | Red |