



**Northamptonshire  
County Council**

Democratic Services  
County Hall  
Northampton  
NN1 1AT

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<b>Northamptonshire Local Pension Board (Firefighters' Pension Scheme)</b>	<b>16 November 2016</b>	<b>Conference Room Moulton Logistics Centre Fire &amp; Rescue HQ Moulton Way Northampton NN3 6XJ</b>	<b>2.00pm</b>
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### AGENDA

**\* Papers enclosed**

Item No.	Subject	Responsible Officer
1.	Apologies for Absence and Declaration of Interests	David Harding
2.*	Minutes from the meeting held on 6 July 2016	Jenny Rendall
3.*	Draft Northamptonshire Firefighters' Pension Scheme 1992 – Internal Dispute Resolution Procedure	Joanne Walton
4.*	Northamptonshire Firefighters' Pension Schemes Risk Strategy 2016	Joanne Walton
5.*	Pension Ombudsman Case Study	Joanne Walton
6.	Board Communication Policy	Paul Hanson
7.	Date and Time of Next Meeting	Jenny Rendall
<b>EXEMPT ITEMS</b>		

Item No.	Subject	Responsible Officer
<p>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:</p> <p>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”</p>		

**Issued: 8 November 2016**

Jenny Rendall  
Democratic Services  
Northamptonshire County Council  
County Hall  
George Row  
Northampton NN1 1DN

Tel: 01604 367560

email: [jrendall@northamptonshire.gov.uk](mailto:jrendall@northamptonshire.gov.uk)



Democratic Support Service  
County Hall  
Northampton  
NN1 1DN

**Northamptonshire Fire & Rescue Service  
Local Pension Board  
Meeting held in public in  
The Conference Room, Moulton Logistics Centre, Moulton, Northampton**

**Actions & Summary of Meeting: Wednesday 6 July 2016**

PRESENT:-

Dave Harding (Chairman & Employer Representative)

Councillor Graham Lawman      Employer Representative                      Jim Dorrill                      Employee Representative

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

Darren Dovey	Chief Fire Officer
Paul Hanson	Democratic Services Manager
Gary McLellan	LGSS Pensions Principal Regulations Officer
Jenny Rendall	Democracy Officer (minutes)
Joanne Walton	LGSS Pensions Governance & Regulations Manager
Mark Whitby	LGSS Head of Pensions
Caitlin Whelan	Work Experience Student with Democratic Services

Item No.	Item	Action to be taken by
08/16	<b><u>Apologies for Absence and Declarations of Interest:</u></b>  Apologies were received from Terry Smith (Employee Representative)	

	There were no declarations of interest.	<b>Jenny Rendall</b>
<b>09/16</b>	<p><b><u>Election of Chairman &amp; Vice-Chairman</u></b></p> <p>Councillor Graham Lawman nominated Dave Harding as Chairman and this was seconded by Darren Dovey.</p> <p>Darren Dovey nominated Jim Dorrill as Vice-Chairman and this was seconded by Darren Dovey.</p> <p><b>RESOLVED that:</b></p> <ul style="list-style-type: none"> <li>• <b>Dave Harding be the Chairman of the Local Pension Board (Firefighters' Scheme) for the year 2016-17; and</b></li> <li>• <b>Jim Dorrill be the Vice-Chairman of the Local Pension Board (Firefighters' Scheme) for the year 2016-17.</b></li> </ul>	<b>Paul Hanson Jenny Rendall</b>
<b>10/16</b>	<p><b><u>Minutes of the Meeting held on 4 May 2016:</u></b></p> <p>It was noted that Darren Dovey had been successful in his application for the post of Chief Fire Officer. Dave Harding was acting as a temporary Deputy Chief Fire Officer. It was also noted that the annual report would be presented to Full Council in October 2016 and the final version would be circulated to members prior to this meeting. It would also be accompanied by an umbrella covering report for it and the annual report by the Local Pension Board for the Local Government Pension Scheme (LGPS).</p> <p><b>RESOLVED that: the minutes of the meeting held on 4 May 2016 were approved as a true and accurate record of the meeting.</b></p>	<b>Jenny Rendall</b>
<b>11/16</b>	<p><b><u>Pensions Administration Services – Key Performance Indicators:</u></b></p> <p>At the Chairman's invitation, LGSS Pensions Governance &amp; Regulations Manager, Joanne Walton introduced this report (copies of which had been previously circulated) stating the Key Performance Indicators (KPIs) suggested in the appendix to the report would be included in the eventual Service Level Agreement (SLA) between the Pensions Team and the Fire Service.</p>	

	<p>Queries on the report were answered as follows:</p> <ul style="list-style-type: none"> <li>• A team had been formed to quality assure these with a manager who would assign tasks and ensure they were completed.</li> <li>• The team were in the process of agreeing a wider SLA with LGSS through the Customer Contracts Manager and this would form part of that.</li> <li>• The same KPIs were used for work undertaken to support Cambridgeshire Fire &amp; Rescue Service.</li> <li>• The KPIs represented the main areas of administration and reports to Cambridgeshire would be made on a quarterly basis.</li> <li>• All work undertaken should be accurate or it would fail the KPI.</li> <li>• The wider SLA would cover all services provided by LGSS. The SLA with the Pensions Team did require some tailoring.</li> <li>• A further report would go into greater detail on compliance and that could be built into the wider SLA.</li> <li>• Providing a members' self service was in the Pensions Team's plans for the future. Currently there was no quality product available but as soon as one could be found, it would be presented.</li> </ul> <p><b>RESOLVED that: the Local Pension Board (Firefighters' Scheme) approved the proposed Key Performance Indicators as set out in Section 2.1 of the report.</b></p>	<p><b>Mark Whitby Joanne Walton</b></p>
<p>12/16</p>	<p><b><u>Compliance Work Plan:</u></b></p> <p>At the Chairman's invitation, LGSS Pensions Governance &amp; Regulations Manager, Joanne Walton introduced this report (copies of which had been previously circulated) stating Section 3 of the report provided suggestions and dates by which time the Local Pension Board would be fully compliant with the Code of Practice and other relevant legislation.</p> <p>Queries on the report were answered as follows:</p> <ul style="list-style-type: none"> <li>• As officers were already half way through the work in relation to discretions they were confident of becoming fully compliant in this respect by 30 September 2016.</li> <li>• The written statement on how the Scheme Manager would exercise their discretionary powers within the Firefighters' Pension Scheme could be published on the Pensions website with links from various areas such as the Northamptonshire Fire &amp; Rescue Service website. Notes could also be added to payslips and a bulletin could be sent out to members.</li> </ul>	

	<ul style="list-style-type: none"> <li>• Officers from the Pensions Team were very aware of deadlines in terms of the annual benefit statement and they were on course to be able to send them out by the end of August 2016.</li> <li>• The Pensions Regulator understood delays that might be caused in identifying and reporting breaches during a time of switching from one system to another. Officers would inform the Board of any serious issues that arose.</li> <li>• Members were informed by letter if their annual benefit statement was due to be received late with reasons for this. Northamptonshire was one of only 7 LGPS who sent them out on time the previous year.</li> </ul> <p><b>RESOLVED that: the Local Pension Board (Firefighters' Scheme) confirmed they found the work plan to be acceptable.</b></p>	<p><b>Mark Whitby Joanne Walton</b></p>
<p><b>13/16</b></p>	<p><b><u>Firefighters' Pension Scheme 1992 – Pension Contribution Holiday Update.</u></b></p> <p>At the Chairman's invitation, LGSS Pensions Governance &amp; Regulations Manager, Joanne Walton introduced this report (copies of which had been previously circulated) stating the Pensions Team was now waiting for further guidance from Government which once received would be acted upon.</p> <p>Answers to queries raised on the report were provided as follows:</p> <ul style="list-style-type: none"> <li>• There had been no suggestion from government that the refund of contributions could be used as Additional Voluntary Contributions.</li> <li>• The full cost was not yet known and but an estimate had been made as to the number of firefighters it would affect..</li> </ul> <p><b>RESOLVED that: the Local Pension Board (Firefighters' Scheme):</b></p> <ol style="list-style-type: none"> <li><b>1) Noted the content of the report; and</b></li> <li><b>2) Requested that future updates by provided by LGSS Pensions Service once further information becomes available.</b></li> </ol>	<p><b>Mark Whitby Joanne Walton</b></p>
<p><b>14/16</b></p>	<p><b><u>Rule B5B – Additional Pension Benefit: Long Service Increment:</u></b></p> <p>At the Chairman's invitation, Employee Representative, Jim Dorrill stated Terry Smith had requested this be included following conversations he had with scheme members who felt it had not been applied correctly. He had</p>	

	<p>received a lengthy response from the Pensions Team but had no further discussions with Jim Dorrill.</p> <p>Members commented as follows:</p> <ul style="list-style-type: none"> <li>• It was noted Long Service Increments had been replaced with CPD but there were some members who were entitled before CPD was introduced.</li> <li>• Terry had referred to a number of people who had lost the payment due to promotion who perhaps would not have taken the promotion had they known about the loss of the payment.</li> <li>• During a transitional period from the Long Service Increment to CPD a person could apply for it if they were retiring in the next 3 years. This transitional period was now over and payments had not been made since 2010. Terry Smith had been given a final statement that he had taken away to consider.</li> <li>• All Long Service Increments were based on final salary and only applied to those in 1992 scheme.</li> </ul> <p><b>RESOLVED that: the Local Pension Board (Firefighters Scheme) noted:</b></p> <ol style="list-style-type: none"> <li>1) Their content with the way in which the Long Service Increment applications were dealt with;</li> <li>2) That any further issues would be taken up with the Pensions Team; and</li> <li>3) That Jim Dorrill would speak to Terry Smith to ascertain if he was happy with the response he had received from the Pensions Team.</li> </ol> <p><i>(At this point Caitlin Whelan left the meeting)</i></p>	<p>Mark Whitby Gary McLellan Jim Dorrill</p>
	<p><b>RESOLVED that: Under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items 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 would be disclosed to them.</b></p>	
<p>15/16</p>	<p><b><u>Firefighters' Pension Scheme Event Reporting and Accounting for Tax:</u></b></p> <p><b>RESOLVED that: the Local Pension Board (Firefighters' Scheme) noted the contents of the report.</b></p>	<p>Mark Whitby</p>
<p>16/16</p>	<p><b><u>Erroneous Ill Health and Injury Pension Calculation:</u></b></p> <p><b>RESOLVED that: the Local Pension Board (Firefighters' Scheme) noted the contents of the report.</b></p>	<p>Mark Whitby</p>

<b>17/16</b>	<b><u>Urgent Business</u></b>  There was none.	
<b>18/16</b>	<b><u>Date and Time of Next Meeting:</u></b>  Wednesday 16 November 2016 at 2pm in the Moulton Logistics Centre.	

There being no further business the meeting closed at 11.32am..  
Jenny Rendall, Democracy Officer



**Northamptonshire Fire and Rescue Service**

**The Firefighters' Pension Scheme 1992**

**INTERNAL DISPUTE RESOLUTION PROCEDURE**

## INTERNAL DISPUTE RESOLUTION PROCEDURE

### 1. Introduction

1.1 Section 50 of the Pensions Act 1995 required all occupational pension schemes (other than very small schemes) to introduce formal internal dispute resolution (IDR) procedures for dealing with complaints from scheme members.

1.2 The detailed procedures to be followed are now set out in Section 50B of the Pensions Act 1995, which was inserted by section 273 of the Finance Act 2004 and amended by Section 16 of the Pensions Act 2007, and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008. Together, these Regulations are referred to in this document as 'the IDRP Regulations'.

1.3 A copy of the IDRP Regulations is available for inspection at the Headquarters of Northamptonshire Fire and Rescue Service. The documents are also available on Legislation.gov.uk, the website managed by The National Archives on behalf of HM Government at:

<http://www.legislation.gov.uk/ukpga/2004/35/section/273>

<http://www.legislation.gov.uk/ukpga/2007/22/section/16>

<http://www.legislation.gov.uk/uksi/2008/649/made>

1.4 The IDR procedures have direct application to firefighters' pensions. Fire and Rescue Authorities are required to follow the procedures the IDRP Regulations lay down in all disputes other than appeals under Rule H2 of Schedule 2 to the Firemen's' Pension Scheme Order 1992 (appeal to board of medical referees).

1.5 Appeals under Rule H2 of Schedule 2 to the Firemen's' Pension Scheme Order 1992 (appeal to board of medical referees) are specifically excluded from the IDR procedures by Regulation 4 of the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008.

### 2. What are the IDR procedures?

2.1 If you have a complaint about the Firefighters' Pension Scheme, other than a complaint about a decision on medical retirement taken under Rule H1 of Schedule 2 to the Firemen's Pension Scheme Order 1992 and are a person who comes within the categories of people listed in Section 3 below, the IDRP Regulations give you the right to have the complaint considered and decided, and to receive a written explanation of the decision. There will be two levels for dealing with complaints:

**Stage One:** is an application to a "specified person" for a decision. The person specified by the Northamptonshire Fire and Rescue Authority is the **Chief Fire Officer**; and

**Stage Two:** is the right of appeal to the **Director of LGSS Law** against the Stage One decision.

2.2 The forms at Annex A (for Stage One) and Annex B (for Stage Two) are provided for your use in order to simplify the task of adhering to the procedures.

### **3. Who can make an application under the new arrangements?**

3.1 The IDR procedures are available to you if you are:

- an active, deferred or pensioner member of the Firefighters' Pension Scheme
- a widow, widower or surviving dependant of a deceased member of the Firefighters' Pension Scheme
- a person who ceased to be within any of the categories above
- a person claiming to come within one of the categories above where the dispute relates to whether they are such a person; or

### **4. Can someone else make an application for me?**

4.1 An application may be made or continued on your behalf by a representative nominated by you (e.g. staff association, solicitor). An application may also be made or continued on your behalf if you die, are a minor, or are otherwise incapable of acting for yourself:

- in the case of death, by your personal representatives; and
- in any other case, by a member of your family or some other person or body suitable to represent you.

### **5. What can the application be about?**

5.1 You may make an application under the IDR procedures about any claimed action or omission by the Fire and Rescue Authority within the scope of the Firefighters' Pension Scheme **except for** a determination of a Fire and Rescue Authority on a question referred to an independent qualified medical practitioner under Rule H1, where a notice of appeal has been issued under Rule H2 of Schedule 2 to the Firemen's Pensions Scheme Order 1992.

5.2. You cannot make an application under the IDR procedures about a matter which is outside the scope of the Firefighters' Pensions Scheme. Thus, for example, an application cannot be made about a decision not to pay a pension to a common-law spouse if the fact that he or she is not married to you is not disputed.

### **6. How do I make an application for a decision? - Stage One**

6.1 Under the IDR procedures you must make an application for a Stage One decision in writing; you must set out the facts of the matter in dispute and the reason why you are aggrieved; and your application must contain enough

details to enable the Fire and Rescue Authority to identify the complainant. The application must be made to the **Chief Fire Officer**:

Chief Fire Officer  
Northamptonshire Fire and Rescue Service  
Moulton Way  
Northampton  
NN3 6XJ

6.2 In addition to the above you should bear the following in mind:

- if you are firefighter or former firefighter making a complaint, you should provide your full name, address and date of birth;
- if you are being represented by a relative he or she must, in addition to the details about you, provide his or her full name, address and relationship to you;
- if you are being represented by someone else, your representative must give his or her full name, address and profession or other authority to represent you;
- the application should make clear the address the Fire and Rescue Authority should use to send their reply; and
- the application should be signed by or on behalf of the complainant.

6.3 A form is attached at Annex A to help you in making a Stage One application.

## 7. **Is there a time limit on when I can make a complaint?**

7.1 Rule H3 of the Firemen's' Pension Scheme Order 1992 provides that you have 28 days from the date of receipt of the decision you want to complain about in order to make a written application under the IDR procedures.

## 8. **Stage One decision**

8.1 The reply from the **Chief Fire Officer** is called the "notice of decision". It should provide an explanation of the decision taken in response to your complaint, and should be issued within two months of the date of receipt of your application. In the absence of a full reply in that time you should receive an interim reply explaining why there is a delay and when you can expect a full reply. The notice of decision must include the following:

- a statement of the decision;
- a reference to any legislation relied upon;
- a reference to those parts of the relevant legislation relied upon, including a reference to any legislation conferring discretion on the Fire and Rescue Authority where that has been exercised;

- a reference to any documentation on which the decision is based;
- an explanation of your right to have the disagreement referred for consideration by the **Director of LGSS Law** within 28 days of the date of receipt of the decision.

## 9. What if I disagree with the Stage One decision?

9.1 Under the IDR procedures you have the right to ask for your case to be referred to the **Director of LGSS Law** if you are not satisfied with the Stage One decision. You or your representative must submit the written Stage Two application within 28 days of the date of receipt of the Stage One decision.

## 10. What if I do not receive a Stage One decision?

10.1 You can also make a Stage Two application if the Chief Fire Officer has failed to send you a written notice of decision or an interim reply within three months from the date on which particulars of the disagreement were received, or where he or she has sent you an interim reply but has failed to send you a written notice of decision within one month from the date he or she said you could expect the decision.

## 11. How do I make a Stage Two application?

11.1 You should give the details set out at paragraphs 6.1 and 6.2 above, together with a statement that you wish the **Director of LGSS Law** to reconsider the matter put to the **Chief Fire Officer** and why you are dissatisfied with the Stage One decision. A form is at Annex B for your use.

11.2 You should submit your Stage Two application to:

The Director of LGSS Law  
 LGSS Law Ltd – Legal Services,  
 Box No: SCO2305,  
 3rd Floor- Scott House,  
 5 George Street,  
 HUNTINGDON,  
 PE29 3AD

## 12. Stage Two decision

12.1 The Director of LGSS Law should issue a notice of their decision within two months of the date of receipt of your Stage Two application and, where this is not possible, an interim reply should be sent explaining why there is a delay and when a full reply can be expected. The full reply should include:

- a statement of the decision and an explanation whether, and if so to what extent, the original decision by the **Chief Fire Officer** has been replaced;
- a reference to any legislation relied upon;

- a reference to those parts of the legislation relied upon, including a reference to any legislation conferring discretion on the Fire and Rescue Authority where that has been exercised;
- a reference to any documentation on which the decision is based;
- a statement that TPAS (The Pensions Advisory Service) is available to assist you in connection with difficulties you have failed to resolve with the Fire and Rescue Authority, and the address at which TPAS may be contacted; and
- a statement that the Pensions Ombudsman appointed under section 145(2) of the Pension Schemes Act 1993 may investigate and determine any complaint or dispute of fact or law in relation to the Scheme made or referred in accordance with that Act, and the address at which you may contact him.

### **13. Can I get help to resolve my dispute?**

13.1 At any time, if you are having difficulties in sorting out your dispute, you may wish to contact The Pensions Advisory Service (TPAS) for help. TPAS can provide free advice and information to explain your rights and responsibilities.

13.2 To get information or guidance, their helpline phone number is 0300 123 1047. Lines are open Monday to Friday 9am to 5pm.

In addition, through their website

<http://www.pensionsadvisoryservice.org.uk/contacting-us> they offer both a Web Chat service which is available Monday to Friday 9am to 5pm and 7pm to 9pm on Tuesdays, and an online enquiry form.

Alternatively you can write to them at:

TPAS  
11 Belgrave Road  
London  
SW1V 1RB

13.3 A TPAS adviser cannot force a pension scheme to take a particular step but, if they think your dispute is justified, they will try to resolve the problem through conciliation and mediation.

### **14. Where can I obtain further information about the IDR Procedures?**

14.1 You can ask for further information and obtain further forms from LGSS Pensions on 01604 366537 or by email to [pensions@northamptonshire.gov.uk](mailto:pensions@northamptonshire.gov.uk)

**Annex A**

**Firefighters' Pension Scheme 1992**



**IDRP1F - STAGE 1 APPLICATION UNDER THE INTERNAL DISPUTE RESOLUTION PROCEDURE**

You should use this form to apply to the Chief Fire Officer at **stage 1** of the internal dispute resolution procedure if you want them to investigate a dispute concerning your pension.

**Please write clearly in ink, and use capital letters in sections 1, 2 and 3.**

**Section 1 Member's Details**

If you are the member (the person who is or was in the Scheme), or a prospective member (a person who is eligible to be a member of the Scheme), please give your details in this Section. You can then go straight to Section 4.

If you are the member's dependant (for example, their husband, wife or child), please give the member's details in this Section, and then go to Section 2.

If you are representing the person with the complaint, please give the member's details in this Section, and then go to Section 3.

Title: \_\_\_\_\_ Surname: \_\_\_\_\_ Forenames: \_\_\_\_\_

Previous Surname(s): \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Post Code: \_\_\_\_\_ National Insurance No: \_\_\_\_\_

## Section 2 Dependant's Details

If you are the member's dependant and the complaint is about a benefit for you, please give **your** details in this Section and then go to Section 4.

If the complaint is about a benefit for a dependant and you are the dependant's representative, please give the dependant's details in this Section and then go to Section 3.

Title: \_\_\_\_\_ Surname: \_\_\_\_\_ Forenames: \_\_\_\_\_

Previous Surname(s): \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Post Code: \_\_\_\_\_ National Insurance No: \_\_\_\_\_

Relationship to member: \_\_\_\_\_

## Section 3 Representative's Details

If you are the member's or dependant's representative, please give your details in this Section and then go to Section 4.

Title: \_\_\_\_\_ Surname: \_\_\_\_\_ Forenames: \_\_\_\_\_

Previous Surname(s): \_\_\_\_\_ Date of Birth: \_\_\_\_\_

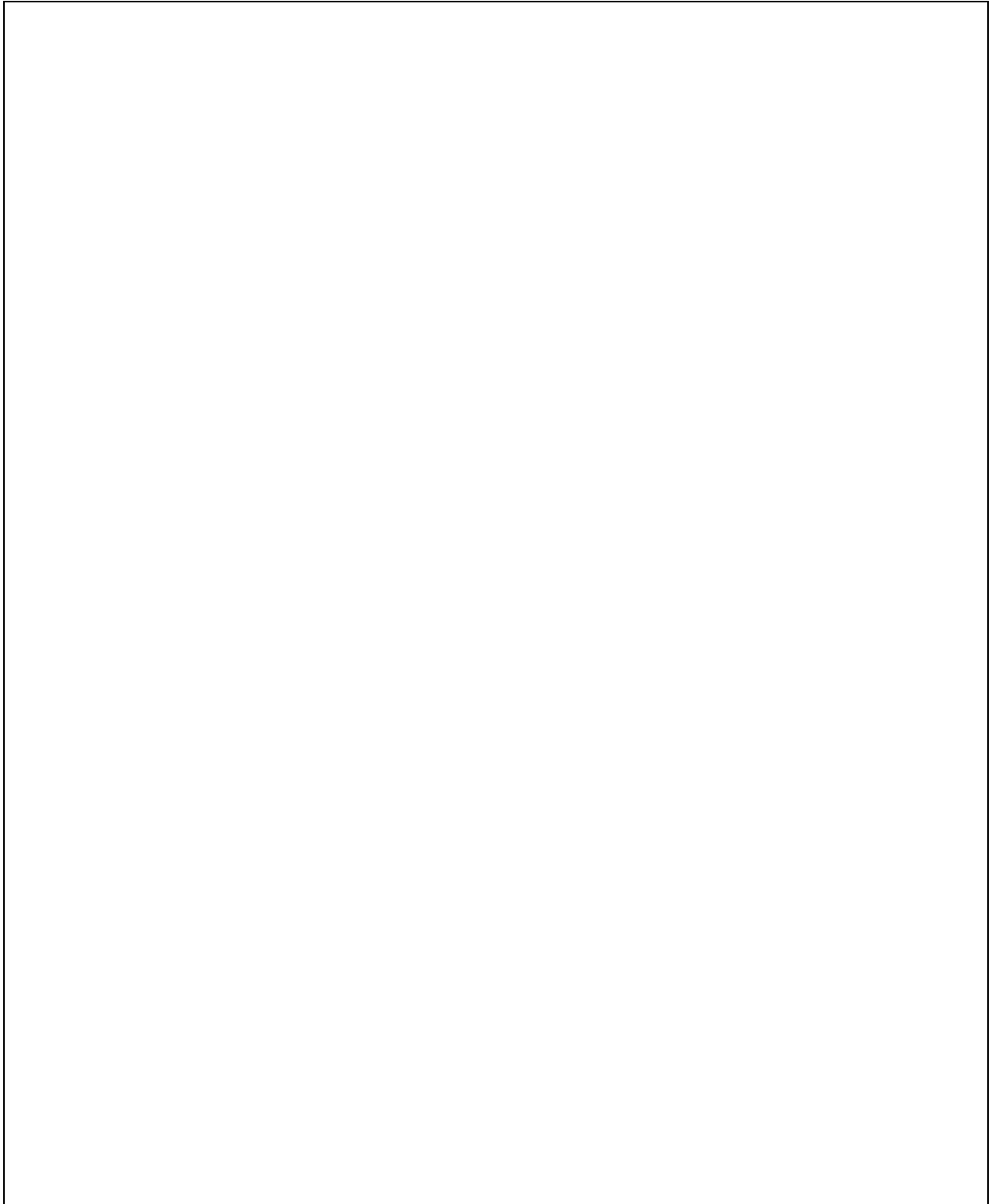
Address: \_\_\_\_\_

Post Code: \_\_\_\_\_ National Insurance No: \_\_\_\_\_



#### **Section 4** Your Complaint

Please summarise your complaint in this Section and then, on an attached sheet, give details of exactly why you are unhappy.

A large, empty rectangular box with a thin black border, intended for the user to write their complaint. The box occupies most of the page below the instructions.

## Section 5 Your Signature

- I wish to apply for a decision to be made, under section 50B of the Pensions Act 1995, in respect of the disagreement set out in this application.
- I understand that an application may not be made where, in respect of a disagreement, a notice of appeal has been issued under Rule H2 of Schedule 2 to the Firefighters' Pension Scheme 1992 (i.e. appeals to a board of medical referees against a decision on an issue of a medical nature).

I am a:

Scheme member / former member / prospective member \*

Dependant of a former member \*

Member's representative / dependant's representative \*

\* Tick one box and delete words as appropriate

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

**Please enclose a copy of any notification of the decision you are complaining about which has been issued by or on behalf of the Fire and Rescue Authority.** Also enclose any other letter or notification that you think might be helpful.

The information which is collected on this form will be held and processed in line with the Data Protection Act.

**Once completed, please return to: The Chief Fire Officer, Northamptonshire Fire and Rescue Service, Moulton Way, Northampton, NN3 6XJ**

Annex B

Firefighters' Pension Scheme 1992



**IDRP2F - STAGE 2 APPLICATION UNDER THE INTERNAL DISPUTE RESOLUTION PROCEDURE**

You should use this form to apply to the **LGSS Director of Law** at **stage 2** of the internal dispute resolution procedure if you want them to investigate a dispute concerning your pension, **having been through stage 1 of the process.**

**Please write clearly in ink, and use capital letters in sections 1, 2 and 3.**

**Section 1 Member's Details**

If you are the member (the person who is or was in the Scheme), or a prospective member (a person who is eligible to be a member of the Scheme), please give your details in this Section. You can then go straight to Section 4.

If you are the member's dependant (for example, their husband, wife or child), please give the member's details in this Section, and then go to Section 2.

If you are representing the person with the complaint, please give the member's details in this Section, and then go to Section 3.

Title: \_\_\_\_\_ Surname: \_\_\_\_\_ Forenames: \_\_\_\_\_

Previous Surname(s): \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Post Code: \_\_\_\_\_ National Insurance No: \_\_\_\_\_

## Section 2 Dependant's Details

If you are the member's dependant and the complaint is about a benefit for you, please give **your** details in this Section and then go to Section 4.

If the complaint is about a benefit for a dependant and you are the dependant's representative, please give the dependant's details in this Section and then go to Section 3.

Title: \_\_\_\_\_ Surname: \_\_\_\_\_ Forenames: \_\_\_\_\_

Previous Surname(s): \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Post Code: \_\_\_\_\_ National Insurance No: \_\_\_\_\_

Relationship to member: \_\_\_\_\_

## Section 3 Representative's Details

If you are the member's or dependant's representative, please give your details in this Section and then go to Section 4.

Title: \_\_\_\_\_ Surname: \_\_\_\_\_ Forenames: \_\_\_\_\_

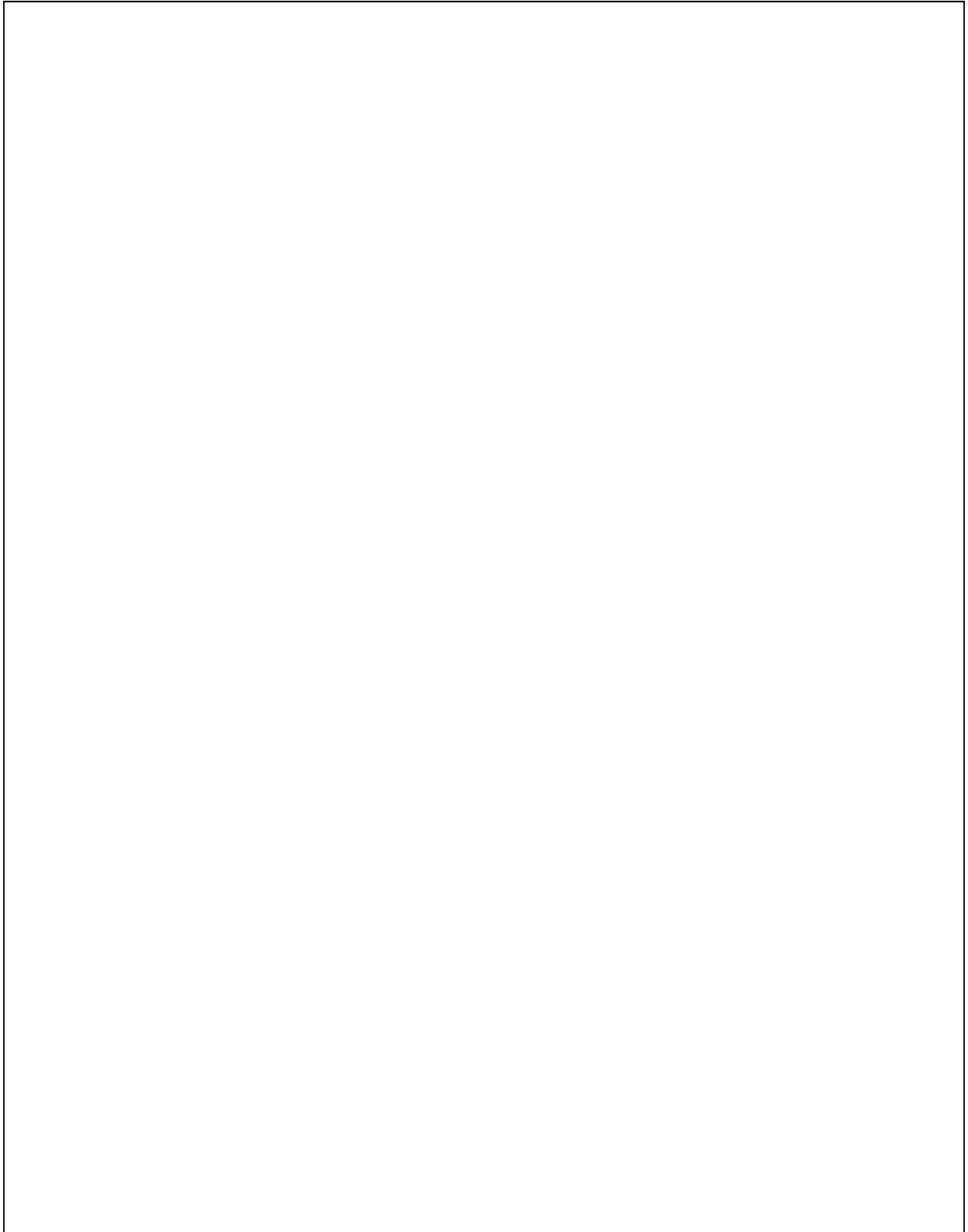
Previous Surname(s): \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Post Code: \_\_\_\_\_ National Insurance No: \_\_\_\_\_

#### **Section 4** Your Complaint

Please summarise your complaint in this Section and then, on an attached sheet, give details of exactly why you are unhappy.

A large, empty rectangular box with a thin black border, intended for the user to write their complaint. The box occupies most of the page below the instructions.

## Section 5 Your Signature

- I wish to apply for a decision to be made, under section 50B of the Pensions Act 1995, in respect of the disagreement set out in this application.
- I understand that an application may not be made where, in respect of a disagreement, a notice of appeal has been issued under Rule H2 of Schedule 2 to the Firefighters' Pension Scheme 1992 (i.e. appeals to a board of medical referees against a decision on an issue of a medical nature).

I am a:

Scheme member / former member / prospective member \*

Dependant of a former member \*

Member's representative / dependant's representative \*

\* Tick one box and delete words as appropriate

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

**Please enclose any notification of the decision you are complaining about which has been issued by or on behalf of the Fire and Rescue Authority, together with a copy of the Stage 1 decision made by the Chief Fire Officer for Northamptonshire.**

Also enclose any other letter or notification that you think might be helpful.

The information which is collected on this form will be held and processed in line with the Data Protection Act.

**Once completed, please return to:**

**The Director of LGSS Law, LGSS Law Ltd – Legal Services, Box No: SCO2305, 3rd Floor- Scott House, 5 George Street, HUNTINGDON, PE29 3AD**

**NORTHAMPTONSHIRE  
FIREFIGHTERS’  
PENSION SCHEMES**



**Local Pension Board**

**Date:** 16 November 2016

**Report by:** Head of Pensions

<b>Subject:</b>	<b>Draft Northamptonshire Firefighters’ Pension Scheme 1992 – Internal Dispute Resolution Procedure</b>
<b>Purpose of the Report</b>	To present the draft Firefighters’ Pension Scheme 1992 – Internal Dispute Resolution Procedure for approval by members of the Local Pension Board.
<b>Recommendations</b>	<b>The Board are asked to approve the attached draft Internal Dispute Resolution Procedure in respect of the Firefighters’ Pension Scheme 1992</b>
<b>Enquiries to:</b>	Name – Joanne Walton – LGSS Pensions Governance and Regulations Manager Tel – 01604 367030 E-mail – <a href="mailto:jwalton@northamptonshire.gov.uk">jwalton@northamptonshire.gov.uk</a>

**1. Background**

- 1.1 Section 50 of the Pensions Act 1995 required all occupational pension schemes (other than very small schemes) to introduce formal Internal Dispute Resolution Procedures (IDRP) for dealing with complaints from scheme members or a personal representative of a scheme member.
- 1.2 The detailed procedures to be followed are now set out in Section 50B of the Pensions Act 1995, which was inserted by section 273 of the Finance Act 2004 and amended by Section 16 of the Pensions Act 2007, and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008. Together, in this report, this legislation is referred to as ‘the IDRP Regulations’.
- 1.3 The Internal Dispute Resolution Procedure has direct application to firefighters’ pensions. Fire and Rescue Authorities are required to follow the procedures the IDRP Regulations lay down in pension disputes other than those that are specifically excluded.
- 1.4 Appeals specifically excluded from the Internal Dispute Resolution Procedure by Regulation 4 of the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 are those made under Rule H2 of Schedule 2 to the Firemen’s’ Pension Scheme Order 1992 (appeal to board of medical referees).

## **2. The Pensions Regulator's requirements**

- 2.1 The Pensions Regulator's code of practice entitled 'Governance and administration of public service pension schemes', recognises the legal requirement for public service pension schemes to have in place a suitable Internal Dispute Resolution Procedure to ensure that complaints are dealt with in a prompt and effective manner.
- 2.2 Failure of pension schemes to have appropriate published Internal Dispute Resolution Procedures will be regarded by the Pensions Regulator as a lack of compliance with the law.

## **3. Proposed Internal Dispute Resolution Procedure**

- 3.1 LGSS Pensions has drafted a proposed two stage Internal Dispute Resolution Procedure on behalf of the Scheme Manager for approval by the Local Pension Board.
- 3.2 The draft Internal Dispute Resolution Procedure can be found in appendix 1.
- 3.3 The IDRP regulations are very prescriptive and as such there are effectively two decisions that need to be made by the Scheme Manager. Those decisions relate to if the Internal Dispute Resolution Procedure should have one or two stages and who will adjudicate at each stage (depending on how many stages in the process there are).
- 3.4 LGSS Pensions recommend that the Internal Dispute Resolution Procedure takes the form of a two stage arrangement to allow for further consideration of the case to prevent and/or reduce the number of cases that are referred to the Pensions Ombudsman.
- 3.5 LGSS Pensions also recommend that the adjudicator for stage one applications (an application to a "specified person" for a decision) be specified by the Northamptonshire Fire and Rescue Authority as the Chief Fire Officer; and that the adjudicator for stage two applications (for the right of appeal against the stage one decision) be specified by the Northamptonshire Fire and Rescue Authority as the Director of LGSS Law.

## **5. Next steps**

- 5.1 It should be noted that the attached Internal Dispute Resolution Procedure has been drafted in respect of the Firefighters' Pension Scheme 1992.
- 5.2 Once the approach to the Firefighters' Pension Scheme 1992 has been agreed, the Internal Dispute Resolution Procedures for the Firefighters' Pension Schemes 2006 and 2015 will be produced on the same basis, with appropriate referencing to corresponding legislation.
- 5.3 Whilst the non-medical appeal provisions relating to The Firefighters' Compensation Scheme 2006 are subtly different, a procedure similar to the Pension Scheme ones will also be produced,



## 6. Finance & Resources Implications

- 6.1 It should be noted that if the Northamptonshire Fire and Rescue Authority specify the Director of LGSS Law as the stage two adjudicator, any case referred for adjudication would incur a charge for services provided in relation to the work undertaken on the case.

## 7. Risk Implications

- a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There are no risks associated with the proposal.	N/A	N/A

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

Risk	Risk Rating
Failure to have in place appropriate Internal Dispute Resolution Procedures will be regarded as a breach in the law and reportable to the Pensions Regulator under section 70 of the Pensions Act 2004.	Green

## 8. Communication Implications

<b>Direct Communications</b>	The final Internal Dispute Resolution Procedure must be published for access by scheme members (whether active, deferred or pensioners), their personal representatives or surviving beneficiaries, and any person that claims to fall within one of these categories.
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## 9. Legal Implications

- 9.1 Failure to have in place appropriate Internal Dispute Resolution Procedures will be regarded as a breach in the law and reportable to the Pensions Regulator under section 70 of the Pensions Act 2004.

## 10. Consultation with Key Advisers

- 10.1 Not applicable.

## 11. Alternative Options Considered

- 11.1 There are no other options to consider.

## 12. Background Papers

- 12.1 Not applicable

**13. Appendices**

13.1 Appendix 1 – Draft Internal Dispute Resolution Procedure – Firefighters' Pension Scheme 1992

<b>Checklist of Key Approvals</b>	
Has this report been cleared by Head of Pensions?	Mark Whitby -



# Firefighters' Pension Schemes (1992, 2006, 2015)

## Risk Strategy 2016

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## 1. Introduction

1.1 This is the Risk Strategy of the Northamptonshire Fire Authority in relation to the Firefighters' Pension Schemes 1992, 2006 and 2015. The Risk Strategy details the approach to managing risks associated with the Schemes including:

- the risk philosophy for the management, and in particular attitudes to, and appetite for, risk
- how risk management is implemented
- risk management responsibilities
- the procedures that are adopted in the risk management process
- the key internal controls operated by the Scheme Manager and other parties responsible for the management.

## 2. Strategy objectives

2.1 In relation to understanding and monitoring risk, the Scheme Manager aims to:

- integrate risk management into the culture and day-to-day activities;
- raise awareness of the need for risk management by all those connected with the management of the Fire Authority;
- anticipate and respond positively to change;
- minimise the probability of negative outcomes for the Fire Authority and its stakeholders;
- establish and maintain a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice;
- ensure consistent application of the risk management methodology across all activities, including projects and partnerships.

2.2 To assist in achieving these objectives with the management of the Fire Authority the Scheme Manager will aim to comply with the Pensions Act 2004 and the Pensions Regulator's Code of Practice for Public Service Pension Schemes as they relate to managing risk.

## 3. Purpose of the strategy

3.1 The Scheme Manager recognises that effective risk management is an essential element of good governance. By identifying and managing risks through an effective policy and risk management strategy, the Scheme Manager can:

- demonstrate best practice in governance
- improve financial management

- minimise the risk and effect of adverse conditions
  - identify and maximise opportunities that might arise
  - minimise threats
- 3.2 The Scheme Manager adopts best practice risk management, which supports a structured and focused approach to managing risks, and ensures risk management is an integral part in the governance of the Authority at a strategic and operational level.

#### 4. Effective date

- 4.1 This policy was approved by the Local Pension Board of Northamptonshire Fire Authority on XX and is effective from XX.

#### 5. Review

- 5.1 It will be formally reviewed and updated at least every three years or sooner if the risk management arrangements or other matters included within it merit reconsideration.

#### 6. Scope

- 6.1 This Risk Strategy applies to all members of the Northamptonshire Fire Authority Local Pension Board.

#### 7. Risk management philosophy

- 7.1 The Scheme Manager recognises that it is not possible or even desirable to eliminate all risks. Accepting and actively managing risk is therefore a key part of the risk management strategy. A key determinant in selecting the action to be taken in relation to any risk will be its potential impact on the Authorities objectives in the light of the Scheme Managers risk appetite. Equally important is striking a balance between the cost of risk control actions against the possible effect of the risk occurring.

- 7.2 In managing risk, the Scheme Manager will:

- ensure that there is a proper balance between risk taking and the opportunities to be gained
- adopt a system that will enable the Authority to anticipate and respond positively to change
- minimise loss and damage to the Authority and to other stakeholders who are dependent on the benefits and services provided
- make sure that any new areas of activity are only undertaken if the risks they present are fully understood and taken into account in making decisions.

- 7.3 The Scheme Manager also recognises that risk management is not an end in itself; nor will it remove risk from the Authority. However it is a sound management technique that is an essential part of the Scheme Manager stewardship of the Authority. The benefits of a sound risk management approach include better decision-making, improved performance and delivery of services, more effective use of resources and the protection of reputation.

## 8. The Pensions Regulator's requirements

### 8.1 The Pension Regulator's Code of Practice

The Public Service Pensions Act 2013 added the following provision to the Pensions Act 2004 relating to the requirement to have internal controls in public service pension schemes.

***“249B Requirement for internal controls: public service pension schemes***

*(1) The scheme manager of a public service pension scheme must establish and operate internal controls which are adequate for the purpose of securing that the scheme is administered and managed—*

*(a) in accordance with the scheme rules, and*

*(b) in accordance with the requirements of the law.*

*(2) Nothing in this section affects any other obligations of the scheme manager to establish or operate internal controls, whether imposed by or by virtue of any enactment, the scheme rules or otherwise.*

*(3) In this section, “enactment” and “internal controls” have the same meanings as in section 249A.”*

Section 90A of the Pensions Act 2004 requires the Pensions Regulator to issue a code of practice relating to internal controls. The Pensions Regulator has issued such a code in which he encourages scheme managers to employ a risk based approach to assessing the adequacy of their internal controls and to ensure that sufficient time and attention is spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls.

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. The risk assessment should begin by:

- setting the objectives of the scheme
- determining the various functions and activities carried out in the running of the scheme, and

- identifying the main risks associated with those objectives, functions and activities.

The code of practice goes on to say that schemes should consider the likelihood of risks arising and the effect if they do arise when determining the order of priority for managing risks, and focus on those areas where the impact and likelihood of a risk materialising is high. Schemes should then consider what internal controls are appropriate to mitigate the main risks they have identified and how best to monitor them. The code of practice includes the following examples as issues which schemes should consider when designing internal controls to manage risks:

- how the control is to be implemented and the skills of the person performing the control
- the level of reliance that can be placed on information technology solutions where processes are automated
- whether a control is capable of preventing future recurrence or merely detecting an event that has already happened
- the frequency and timeliness of a control process
- how the control will ensure that data are managed securely, and
- the process for flagging errors or control failures, and approval and authorisation controls.

The code states that risk assessment is a continual process and should take account of a changing environment and new and emerging risks. It further states that an effective risk assessment process will provide a mechanism to detect weaknesses at an early stage and that schemes should periodically review the adequacy of internal controls in:

- mitigating risks
- supporting longer-term strategic aims, for example relating to investments
- identifying success (or otherwise) in achieving agreed objectives, and
- providing a framework against which compliance with the scheme regulations and legislation can be monitored.

Under section 13 of the Pensions Act 2004, the Pensions Regulator can issue an improvement notice (i.e. a notice requiring steps to be taken to rectify a situation) where it is considered that the requirements relating to internal controls are not being adhered to.

## 9. Responsibility

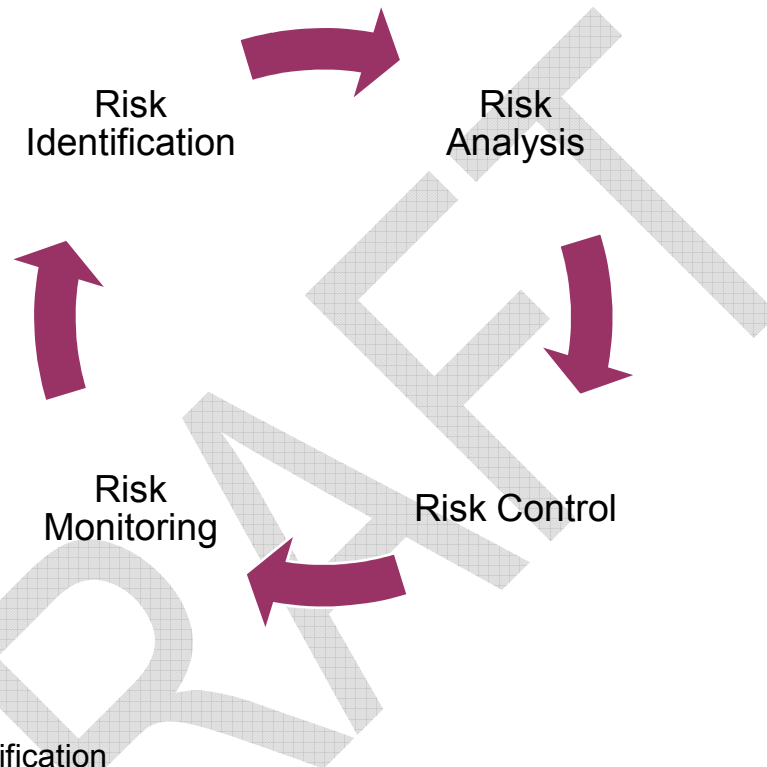
- 9.1 The Scheme Manager must be satisfied that risks are appropriately managed. For this purpose, the Scheme Manager is responsible for



ensuring the process outlined below is carried out, subject to the oversight of the Local Pension Board.

## 10. The Northamptonshire Fire Authority risk management process

10.1 The risk management process is a continuous approach which systematically looks at risks surrounding the past, present and future activities. The main processes involved in risk management are identified in the figure below and detailed in the following sections.



### 10.2 Risk identification

The risk identification process is both a proactive and reactive one: looking forward i.e. horizon scanning for potential risks, and looking back, by learning lessons from reviewing how previous decisions and existing processes have manifested in risks to the organisation.

Risks are identified by a number of means including, but not limited to:

- formal risk assessment exercises overseen by the Local Pension Board
- performance measurement
- feedback from the Local Pension Board and stakeholders
- liaison with other organisations, regional and national associations, professional groups, etc.

10.3 Once identified, risks will be documented on the risk register, which is the primary control document for the subsequent analysis, control and monitoring of those risks.

#### 10.4 Risk analysis

Once potential risks have been identified, the next stage of the process is to analyse and profile each risk. Risks will be assessed by considering the likelihood of the risk occurring and the effect if it does occur, with the score for likelihood multiplied by the score for impact to determine the current overall risk rating, as illustrated in the table below.

<b>Potential impact if risk occurred</b>	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
		<b>Likelihood of risk occurring</b>				

When considering the risk rating, the Scheme Manager will have regard to the existing controls in place and these will be summarised on the risk register.

#### 10.5 Risk control

The Scheme Manager will review the extent to which the identified risks are covered by existing internal controls and determine whether any further action is required to control the risk, including reducing the likelihood of a risk event occurring or reducing the severity of the consequences should it occur. The result of any change to the internal controls could result in any of the following:

- Risk elimination – for example, ceasing an activity or course of action that would give rise to the risk.

- Risk reduction – for example, choosing a course of action that has a lower probability of risk or putting in place procedures to manage risk when it arises.
- Risk transfer – for example, transferring the risk to another party either by insurance or through a contractual arrangement.

The risk register details all further action in relation to a risk and the owner for that action.

## 10.6 Risk monitoring

Risk monitoring is the final part of the risk management cycle and will be the responsibility of the Local Pension Board. In monitoring risk management activity, the Board will consider whether:

- the risk controls taken achieved the desired outcomes
- the procedures adopted and information gathered for undertaking the risk assessment were appropriate
- greater knowledge of the risk and potential outcomes would have improved the decision-making process in relation to that risk
- there are any lessons to be learned for the future assessment and management of risks.

## 11. Reporting and monitoring

11.1 Progress in managing risks will be monitored and recorded on the risk register. The risk register, including any changes to the internal controls, will be provided on an annual basis to the Local Pension Board.

The Local Pension Board will be provided with updates on an ongoing basis in relation to any significant changes to risks (for example where a risk has changed by a score of 3 or more) or new major risks (for example, scored 15 or more).

In order to identify whether the objectives of this policy are being met, the Scheme Manager will review the delivery of the requirements of this Strategy on an annual basis.

## 12. Key risks to the effective delivery

12.1 The key risks to the delivery of this Strategy are outlined below. The Scheme Manager will monitor these and other key risks and consider how to respond to them following updates and recommendations from officers.

- Risk management becomes mechanistic, is not embodied into the day to day management and consequently the objectives of the Policy are not delivered

- Changes in Local Pension Board membership and/or senior officers mean key risks are not identified due to lack of knowledge
- Insufficient resources are available to satisfactorily assess or take appropriate action in relation to identified risks
- Risks are incorrectly assessed due to a lack of knowledge or understanding, leading to inappropriate levels of risk being taken without proper controls
- Lack of engagement or awareness of external factors means key risks are not identified
- Conflicts of interest or other factors lead to a failure to identify or assess risks appropriately

**NORTHAMPTONSHIRE  
FIREFIGHTERS’  
PENSION SCHEMES**



**Local Pension Board**

**Date:** 16 November 2016

**Report by:** Head of Pensions

<b>Subject:</b>	<b>Northamptonshire Firefighters’ Pension Schemes Risk Strategy 2016</b>
<b>Purpose of the Report</b>	<a href="#">To present the Firefighters’ Pension Schemes Risk Strategy to the Local Pension Board.</a>
<b>Recommendations</b>	<b>The Board are asked to approve the attached Risk Strategy.</b>
<b>Enquiries to:</b>	Name – Joanne Walton – LGSS Pensions Governance and Regulations Manager Tel – 01604 367030 E-mail – <a href="mailto:jwalton@northamptonshire.gov.uk">jwalton@northamptonshire.gov.uk</a>

**1. Background**

1.1 Good governance ensures that the Northamptonshire Fire Authority has an appropriate Risk Strategy in respect of the Firefighters’ Pension Schemes, which details the approach to managing risk. It outlines the risk philosophy, how risk management is implemented, responsibilities, procedures and internal controls to ensure risk is identified, analysed, controlled and monitored effectively.

**2. Pensions Regulator’s Requirements**

2.1 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 Schemes Managers to carry out a risk assessment and produce a risk register which should be reviewed regularly.

**3. Local Pension Board Risk Management Process**

3.1 The proposed risk management process is a continuous approach which systematically looks at risks surrounding the past, present and future activities.

3.2 The process involves identifying risk and looking at being proactive and reactive; looking for potential risks and by learning from past experiences. Risks can be identified through a number of means such as monitoring. Once the potential risks have been identified, the next stage is to analyse and profile each risk. Risks are assessed by considering the likelihood of the risk occurring and the effect if it does occur, the risk rating and controls in place will be summarised on the risk register using a heat pad method.

3.3 Controlling the risks requires continual review to determine whether any further action is required such as the likelihood of a risk decreasing. The Local Pension Board will need to consider matters such as whether desirable outcomes have been achieved and whether any lessons are to be learned during the monitoring process.

3.4 The Scheme Manager is responsible for ensuring the Northamptonshire Fire and Rescue Service Local Pension Board management process is carried out. The Scheme Manager also needs to control and monitor the risk and ascertain whether any further action is required from updates and recommendations made by Officers.

#### 4. Risks to the Northamptonshire Fire Authority

4.1 The Local Pension Board are responsible for monitoring the risks that could affect the Schemes and need to be satisfied that adequate controls are in place. The below table demonstrates some examples of potential risks to the Schemes and how using the risk scoring matrix and impact descriptors along with the controls in place reduces the likelihood of a risk occurring.

Risk	Gross Impact	Gross Likelihood	Gross Total	Controls	Residual Impact	Residual Likelihood	Residual Total
Failure to administer the scheme in line with regulations and policies	5	2	10	Up to date knowledge through various sources such as Fire Working Groups. Up to date training and attendance at conferences. Receipt of professional bulletins and publications. Work with external governance advisors where appropriate.	4	1	4
Those charged with governance of the Scheme are unable to fulfil their responsibilities effectively	4	3	12	Knowledge Management Policy is in place which requires Board members to receive continuing training. Knowledge kept up to date through working groups and publications.	4	2	8
Lack of knowledge amongst Board members due to high turnover	4	2	8	Knowledge Management Policy in operation. Attendance at internal/external training events and engagement with peer group.	3	2	6

#### 5. Next steps

5.1 Following approval of the strategy which can be found in appendix 1, LGSS Officers will create a risk register and present to the Board for approval. The risk register will be presented in its entirety via the heat pad model to show the Board all current risks and the threat they pose.

5.2 The risk register, including any changes to the internal controls, will be provided on an annual basis to the Board. The Board will be provided with updates on an ongoing basis in relation to any significant changes to risks (for example where a risk has changed by a score of 3 or more) or new major risks (for example, scored 15 or more).

**6. Finance & Resources Implications**

6.1 N/A

**7. Risk Implications**

a) Risk(s) associated with the proposal

<b>Risk</b>	<b>Mitigation</b>	<b>Residual Risk</b>
<p>Risk management becomes mechanistic, is not embodied into the day to day management and consequently the objectives of the Strategy are not delivered</p> <p>Changes in Pension Board membership and/or senior Officers mean key risks are not identified due to lack of knowledge.</p> <p>Insufficient resources are available to satisfactorily assess or take appropriate action in relation to identified risks.</p> <p>Risks are incorrectly assessed due to a lack of knowledge or understanding, leading to inappropriate levels of risk being taken without proper controls.</p> <p>Lack of engagement or awareness of external factors means key risks are not identified.</p> <p>Conflicts of interest or other factors lead to a failure to identify or assess risks appropriately.</p>	<p>Updates to the Board. Officers aware of the importance of risk management.</p> <p>Succession planning, Knowledge Management Policy in place to ensure a vast amount of knowledge across the Board.</p> <p>Resource planning i.e. holidays, system downtime where applicable.</p> <p>Knowledge Management Policy in force to ensure appropriate knowledge for each member.</p> <p>Professional qualifications, internal/external training, working groups</p> <p>Conflicts of interest are managed appropriately.</p>	<p>Amber</p>

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

Risk	Risk Rating
If there is no Risk Strategy there will be a significant lack of understanding and control on the potential risks.	Red

**8. Communication Implications**

<b>Direct Communications</b>	The Risk Strategy will be presented to the Board for approval.
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**9. Legal Implications**

9.1 Not applicable

**10. Consultation with Key Advisers**

10.1 Not applicable.

**11. Alternative Options Considered**

11.1 There are no other options to consider.

**12. Background Papers**

12.1 Not applicable

**13. Appendices**

13.1 Appendix 1 – Risk Strategy 2016

<b>Checklist of Key Approvals</b>	
Has this report been cleared by Head of Pensions?	Mark Whitby -



**NORTHAMPTONSHIRE  
FIREFIGHTERS’  
PENSION SCHEMES**



**Local Pension Board**

**Date:** 16 November 2016

**Report by:** Head of Pensions

<b>Subject:</b>	<b>Pension Ombudsman Case Study</b>
<b>Purpose of the Report</b>	To present members with information on a Firefighter’s Pension Scheme Pensions Ombudsman case study.
<b>Recommendations</b>	<b>That the Local Pension Board notes the content.</b>
<b>Enquiries to:</b>	Name: Jo Walton – Governance and Regulations Manager Tel: 01604 367030 E-mail: <a href="mailto:jwalton@northamptonshire.gov.uk">jwalton@northamptonshire.gov.uk</a>

**1. Introduction**

- 1.1 Section 248A of The Pensions Act 2004 as incorporated within The Pensions Regulator’s Code of Practice (governance and administration of public service pension schemes) requires all members of the Local Pension Board to maintain the necessary skills and knowledge to undertake their role effectively.
- 1.2 In order to facilitate the acquisition of skills and knowledge, the following Pensions Ombudsman determination which is attached in appendix 1 and summarised below is presented to inform the Local Pension Board of the appropriate action that should be taken concerning information provided regarding dependant benefits.

**2. Complaint Summary**

- 2.1 The Pensions Ombudsman determination detailed in this report concerns a complaint put forward by Mrs H in regards to not receiving a spouse’s pension upon the death of her husband. Mrs H has complained that, KCC (the FPS administrator), and KFRS (the relevant fire authority), have refused to award her a spouse’s pension following the death of her husband (**Mr H**) in 2014, despite letters from KCC to Mr H in 1998, stating that a spouse’s pension would become payable on his death.
- 2.2 Mr H was employed by Kent & Medway Fire & Rescue Authority as a retained (i.e. not regular or full-time) firefighter.
- 2.3 Shortly before Mr H had to retire on grounds of ill-health in March 1998, having been diagnosed with post-traumatic stress disorder contracted in the execution of his duties, KCC sent Mr H an estimate of the benefits that would be payable under the FPS. These benefits were stated to include a widow’s annual pension of £7,169.43, which was equal to one half of Mr H’s ill-health and injury pension.

- 2.4 The following month, KCC sent Mr H a letter to confirm the retirement benefits to which he was entitled under the FPS. The letter said “If you should pre-decease your spouse, for the first three months they would receive a short-term pension at the same rate of your pension, followed by a long-term pension at the rate of £7,169.43 per annum.”
- 2.5 Sadly, Mr H died from cancer in March 2014. The following month KCC told Mrs H that she was not entitled to receive a spouse’s pension. KCC’s letter explained that:
- “This is because Mr [H] was a retained firefighter who was not a member of the pension scheme but was awarded an ill health and injury pension because of an injury sustained in the execution of his duty. In this case the regulations only provide for a spouse’s pension to be paid if the cause of death is related to the “qualifying injury”, which was Post Traumatic Stress Disorder. If it can be established that your husband’s death was due to the effects of his injury, please contact me with the relevant medical evidence so your case can be reviewed.”
- 2.6 Mrs H complained that this information conflicted with the information given to her husband in 1998. When Mrs H unsuccessfully invoked the FPS’s internal dispute resolution procedure, KFRS (at stage 1), and Kent & Medway Fire & Rescue Authority (at stage 2), pointed out that Mrs H had not provided any medical evidence to enable KFRS to assess whether Mr H’s death could be attributed to the injury that caused his ill health retirement.
- 2.7 On 27 June 2014, Mr H’s family doctor stated that he could not say whether stress had caused Mr H’s fatal illness. Mrs H has not provided any other medical evidence to support her claim.
- 2.8 In recent correspondence KCC acknowledged that its correspondence with Mr H and Mrs H in 1998 was misleading, as it did not satisfactorily explain the statutory eligibility criteria for a spouse’s pension and created an impression that such a pension would be paid if Mr H predeceased Mrs H. KCC offered to pay Mrs H £500 for her distress and inconvenience.

### **3. Conclusion of the case**

- 3.1 The statutory rules governing this complaint are unfortunately quite complicated, as evidenced by the fact that Mrs H’s representative and the respondents’ representative have spent a lot of time and effort in setting out their analysis, and have reached different conclusions.
- 3.2 The Pension Ombudsman agreed with Mrs H’s that KFRS should be a respondent, because it is the relevant fire and rescue authority responsible for determining whether any awards under the FPS are payable to Mrs H and it was appropriate for Mrs H to name KCC as a second respondent, because the letters that referred to a spouse’s pension were sent to Mr H by KCC.
- 3.3 He agreed with the respondents’ view that the FPS applied. That is because “a determination or decision” about Mr H’s permanent incapacity was made before April 2006. Article 4 of the FCS (England) Order 2006, says that in those circumstances the provisions of the FPS continue to have effect.

- 3.4 There is no dispute between the parties that Rule J4(1) and (2) applied to Mr H, as he was a retained firefighter who had to retire due to a qualifying injury. However, those provisions say that he shall be treated for the purposes of specified rules as having been a regular firefighter. Those specific rules do not include Rules C1, C2 and C3 relating to a surviving spouse's benefits.
- 3.5 Rules C2 and C3 are mentioned in Rule J4(4), but that is irrelevant here because Rule J4(3) applies only where the retained firefighter dies from the effects of a qualifying injury (or of infirmity caused by a qualifying injury); that is not applicable to Mr H because, as the parties have agreed, his death was due to other causes. Furthermore, Rule C1 is not mentioned in Rule J4(4).
- 3.6 The proposition being put forward on behalf of Mrs H is that Mr H should be treated as having been a regular firefighter for all the purposes of the FPS, including death benefits. However, in view of the wording of Rule J4 the Pension Ombudsman agreed with the conclusions of the respondents that the statutory rules do not support that proposition. He said this because Rule J4(2) would have been worded differently and specifically provided for this if it were intended to include the surviving spouse's pension.
- 3.7 Therefore, Mrs H's complaint was not upheld.

#### **4. Directions**

- 4.1 The Pension Ombudsman recognise that this matter has been distressing for Mrs H, and note that KCC has offered to pay Mrs H £500 for her significant distress and inconvenience. As that amount is in line with the amounts that currently awarded for non-financial injustice he did not consider it appropriate to make any additional award.

#### **5. The role of the Local Pension Board**

- 5.1 The Local Pension Board should use the key principles and determinants of the Pension Ombudsman's findings to enhance their own knowledge and understanding of the Firefighters Pension Scheme and to apply this knowledge where relevant to question the efficiency of administration processes.
- 5.2 The aim is to provide the Local Pension Board with relevant case studies as they become available to cover a range of topics that may be faced in the future and to have insight of potential flaws in processes and procedures that may be avoided.

#### **6. Finance & Resources Implications**

- 6.1 Personal development time and resources for Local Pension Board members to comply with legislation concerning accrual of appropriate skills and knowledge.

## 7. Risk Implications

a) Risk(s) associated with the proposal

<b>Risk</b>	<b>Mitigation</b>	<b>Residual Risk</b>
No risk, enhancing knowledge to assist with potential cases that may arise.		Green

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

<b>Risk</b>	<b>Risk Rating</b>
Failure to recognise outcomes that could impact future processes and decisions in the future.	Red

## 8. Communication Implications

<b>Direct communications</b>	This case study will be used as a reference tool for learning and development if/when similar cases arise.
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## 9. Legal Implications

9.1 There are no legal implications as a result of this to note report.

## 10. Consultation with Key Advisers

10.1 Not applicable for this report.

## 11. Alternative Options Considered

11.1 There are no alternative options to be considered.

## 12. Background Papers

12.1 Not applicable

## 13. Appendices

13.1 The Pension Ombudsman case study.

### **Checklist of Key Approvals**

Is this decision included in the Business Plan?	N/A
Will further decisions be required? If so, please outline the timetable here	N/A
Is this report proposing an amendment to the budget and/or policy framework?	N/A
Has this report been cleared by Director of Finance/Section 151 Officer?	N/A
Has this report been cleared by Head of Pensions?	Mark Whitby –
Has the Chairman of the Local Pension Board been consulted?	N/A
Has this report been cleared by Legal Services?	N/A