

## **CUMBRIA FIRE LOCAL PENSION BOARD**

Minutes of a virtual meeting of the Cumbria Fire Local Pension Board held on Thursday, 22 October 2020 at 1.00 pm.

### **PRESENT:**

Mrs J Willis (Chair)

Mr D Harrison (Vice-Chair)      Mr M Nicholson  
Mr AWC Lamb

### **Also in Attendance:**

Ms A Clark            -    Senior Manager - Pensions and Financial Services (Deputy S151 Officer – Pensions)  
Mrs J Currie           -    Professional Lead - Democratic Services  
Mr A Farrar            -    Democratic Services Officer  
Mr P George           -    Group Finance Manager - Pensions, Investments and Insurance  
Mr S Healey           -    Chief Fire Officer  
Ms T Robinson       -    Business Partner - People Management  
Ms L Taylor           -    Finance Manager - Pensions Investments and Governance  
Ms G Welbourn       -    Technical Finance Officer - Pensions

### **PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PUBLIC AND PRESS**

#### **33      ROLL CALL AND APOLOGIES FOR ABSENCE**

There were no apologies for absence.

#### **34      MEMBERSHIP AND TERMS OF REFERENCE**

Members were informed that since the last formal meeting of the Board the Terms of Reference had been amended to correct two minor inaccuracies. These were noted by members.

There were no changes in membership to note.

#### **35      DISCLOSURES OF INTEREST**

There were no disclosures of interest made.

### **36 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED,** that the press and public be not excluded from any items on the agenda today.

### **37 MINUTES**

**RESOLVED,** that the minutes of the previous meeting held on 4 February 2020 be agreed as a true and accurate record and signed by the Chair.

### **38 SCHEDULE OF FUTURE MEETINGS**

Members noted that future meetings of the Fire Local Pension Board would be held as follows:

- 3 February 2021 at 1pm – venue to be confirmed
- 21 April 2021 at 1pm – venue to be confirmed

### **39 MONITORING REPORT FOR THE PERIOD ENDING 30 JUNE 2020**

Members considered a report from the Chief Fire Officer which advised the Cumbria Fire Local Pension Board Members of any material risk management, policy or governance issues and national regulatory changes to 30 September 2020 and any performance monitoring issues of the Scheme to 30 June 2020.

The Technical Finance Officer took members through the report, highlighting the following:

- Risk - the current risk register had 13 risks comprising 1 red risk (information security arrangements); 2 amber risks (pension administration processes and the Sargeant Judgement); and 10 green risks.

There was 1 new risk which had been added, which was the impact of COVID-19 on Pensions' Administration, which had potential for resourcing issues within Local Pensions Partnership (currently trading as Your Pension Service (YPS) in Cumbria) and the Fund to continue to provide an effective pensions administration service through the pandemic. The risk has a score of 6 ("moderate" but "unlikely").

The Scheme and YPS had sought to mitigate this risk where possible to ensure that the Scheme could operate effectively throughout the pandemic with limited risk to the scheme members and the employer.

In addition to the new risk detailed above, the comments associated with some risks had been amended to reflect a number of developments including the release of the consultation on the

proposed resolution to the Sargeant judgement. However, there has been no amendments to the scoring of any of the risks.

- YPS Performance - in the quarter to 30 June 2020, performance against all but one of the KPIs had been 100%, against the SLA target of 95%. One case in the 'other' category was resolved one day late, therefore reduced the quarterly performance to 99%. However, other than June 2020, performance has been 100% for every month since September 2019. The risk register noted that COVID-19 posed a significant risk to the administration service provided to the Fund. It was therefore a positive outcome that YPS performance had not been materially affected by the pandemic.

The report noted a slight increase in the number of scheme members signed up to My Pension On-Line (MPO).

- Local Pensions Partnership Reorganisation - Local Pensions Partnership (which operated in Cumbria as Your Pension Service) had, over the past year reviewed its internal structures. The organisation had recently separated its pensions administration services from its asset investment services.

The Local Pensions Partnership administration business was currently reviewing its existing practices and aiming to standardise a range of its key activities across all of its clients (of which Cumbria FPS was one), for example, the production of quarterly reports and the development of a new member and employer facing website, to be launched later this year. To aid, this, the organisation would be moving away from using the "Your Pension Service" brand and standardising naming conventions for all clients to Local Pensions Partnership Administration (LPPA).

- Legal breaches recorded/reported during the quarter – members noted there are no breaches to report for the quarter to 30<sup>th</sup> June 2020.
- Scheme Discretions – it had been anticipated that the discretions policy would have been presented to this meeting, however work to clarify some legal points meant that this had not been possible. The Technical Finance Officer noted that since publishing the report legal sign off was now complete.
- Pensions Ombudsman - following the Pensions Ombudsman acknowledging the receipt of our initial response to a complaint made by an employee on 6 December 2019 the matter was reviewed by an Adjudicator in July 2020 (the first stage of the Ombudsman process). The Adjudicator did not agree that the complaint by the individual could be upheld and concluded that evidence did not indicate that there was maladministration on the part of CFRS.

- Internal Dispute Resolution Procedure (IDPR) - two separate IDPR appeals were received in June 2020. One was regarding the transitional arrangements associated with the Sargeant and McCloud case. As the IDPR cannot be used where proceedings in respect of a dispute had commenced in any court or tribunal the individual was informed that CFRS would not be able to take any further action on the matter.

The other IDPR was in relation to the overpayment of injury pension and was an appeal against reclaiming the amount overpaid. The IDPR was reviewed at stage 1 by the Chief Fire Officer in accordance with the procedure and was partially upheld.

- Pensionable Pay - following a recent court case, a recent High Court judgement on pensionable pay, CFRS was required to review and make an informed assessment on the pay provided to firefighters within the meaning of the different scheme rules to assess if they were pensionable. This assessment had now been completed and no pay elements needed amending.
- Data Quality - due to the pressures associated with COVID-19, key projects noted on the Data Quality Improvement Plan reviewed by the Board were currently on hold. This has enabled the team to focus their resources supporting priorities such as the timely payment of pension benefits. The Scheme has benefited from the work undertaken before the pandemic, and data quality will continue to be reviewed on a regular basis to ensure that data held by the Scheme continues to be of a good quality.
- Regulatory changes - Remedy to Sargeant Age Discrimination Case. On 16 July 2020, HM Treasury launched a formal consultation on its proposed changes to the transitional arrangements to the 2015 schemes (including the Firefighters scheme) to remedy the discrimination found in the Sargeant case.

The proposed remedy was complex but thorough. CFRS welcomed the proposals and considered these were appropriate to address the discrimination found in the 2015 pension scheme amendments.

- Public Sector Exit Payments Cap - The government first announced plans to cap exit payments in the public sector in 2015. Following a consultation in April 2019, on proposals to implement exit payment cap and the publication, on 21 July 2020, of the Government's response to the consultation, The Restriction of Public Sector Exit Payments Regulations 2020 were approved by Parliament on 30 September 2020 and were due to come into effect on 4 November 2020.

The Regulations include a number of exemptions for payments to retiring firefighters which meant that was unlikely that any retiree from the Firefighters' Scheme would be affected by this cap.

Additional legislation was required to amend FPS regulations to implement the exit cap. Further guidance was expected to be issued by the Local Government Association in due course and Officers would advise the Local Pension Board when this was released.

- Training – Board members continued to be notified of relevant training events (internal and external) as and when they arose and were encouraged to attend.

Members noted there was a specific item on training later on the agenda for this meeting.

One of the members asked a question about the response times referenced in paragraph 5.1.5 of the report for new retirements for deferred members and active members, and the length of time taken for YPS to process the retirements and the time cases were on hold due to information being required from either the employer, scheme member or AVC provider. He wondered whether the reason for the performance going down was COVID related.

The Senior Manager – Pensions and Financial Services said officers had raised this with YPS and a response was still awaited. However, she confirmed the issues were not COVID related, and **AGREED** to provide a written response.

**RESOLVED**, that the Cumbria Fire Local Pension Board receive and note the performance of the Cumbria Firefighters' Pension Scheme (FPS) to 30 June 2020 and any material policy or governance issues and national regulatory changes to 30 September 2020.

#### **40 CUMBRIA FLPB TRAINING POLICY & PLAN**

The Board considered a report from the Chief Fire Officer, which updated on the areas that had been identified as requiring additional training for Board members and was informed by the responses received to the Board's annual training needs assessment questionnaire.

Board Members were also encouraged to undertake their own personal training for example through the Pensions Regulator's Public Sector Pension Scheme Trustee Toolkit.

It was a legal requirement (per The Pensions Act 2004) that every individual who was a member of a Local Pension Board met specific knowledge and understanding obligations. As Board Members were aware, these legal responsibilities were on an individual level and began from the date they were appointed to their role on the Board.

To facilitate compliance with this, the Scheme Manager must make appropriate training available to Board members to assist them in undertaking their role and must support all Board members in carrying out that training.

During the period from March to September 2020, at the height of the reaction and response to the COVID-19 Pandemic, the formal meetings of Cumbria FLPB were 'stood down'. Officers had advised Board members of on-line training opportunities to ensure appropriate opportunities continued to be available for Board Members to maintain their skills and knowledge.

As members were aware, since the initial impact of the pandemic on planned events, the use of electronic means for enabling meetings and the delivery of online training had evolved considerably. It was therefore anticipated that, as in previous years, the 2021/22 plan would reflect both core and wider training requirements identified by the 2020 training needs assessment questionnaire (due to be undertaken in December 2020).

With reference to the Training Plan 2020/21 the December 2019 training needs assessment questionnaire was sent to all members and substitute members of the Board. The completed responses were collated and assessed the resulting training plan focusses on the core training needs identified by the evaluation questionnaires together with up and coming national legislative/policy changes, ongoing work specific to Firefighters' Pension Schemes.

In addition to the above, members of the Fire Local Pension Board and officers that supported this function had access to a dedicated SharePoint site, containing reference material pertaining to the Firefighters' Pension Schemes. The site contained an archive library of the Fire Board report packs, all of the FPS Bulletins, guidance documents and training materials from training events attended.

**RESOLVED**, that the Board

- (1) consider and approve the updated Cumbria Fire Local Pension Board Training Policy, and
- (2) approve the specific training plan for the Board for 2020/21.

#### **41 CUMBRIA FLPB REPORTS TO COUNCIL**

Members of the Cumbria Fire Local Pension Board considered a report from the Chief Fire Officer, which provided an Annual Report outlining the work of the Cumbria Fire Local Pension Board in 2019/20, and an update to Council for the six months ending 30 September 2020.

In its role in assisting the Scheme Manager the Board was required to report to Council on matters reviewed and suggestions for its consideration. To comply with this requirement the report contained, in Appendix 1, the Annual Report of the Fire Local Pension Board for 2019/20, and at Appendix 2 a draft report "Update to Council for the six months ending 30 September 2020".

Where the Fire Local Pension Board was concerned that due consideration had not been given to matters of non-compliance, the Board may submit a report for

consideration by the Audit and Assurance Committee as the body designated by the Scheme Manager with the capacity to investigate such matters on its behalf.

The Board had no such matters of non-compliance that were considered appropriate to raise with the Audit and Assurance Committee.

The Annual Report for 2019/20 was presented to the Board as an appendix to the Scheme Update paper, circulated by e-mail in July 2020, and followed up by a group call. There were no issues arising from this review.

The Annual Report for 2019/20 was then presented to Council on 9 September 2020 by Councillor Arthur Lamb, and the report noted. It was attached as Appendix 1 to this report for formal approval by the Board.

A draft report "Update to Council for the six months ending 30 September 2020" was attached at Appendix 2 for approval by the Board ahead of presenting to Council in early 2021, as required by the Terms of Reference.

Members noted that the Update Report for Council was scheduled to go in early 2021. The full Council meeting scheduled for January 2021 had been cancelled, so members wondered if it would be possible to take the Update to full Council in November instead, Officers **AGREED** to investigate whether this was possible.

**RESOLVED,** that the Board

- (1) Formally approve the Annual Report of the Cumbria Fire Local Pension Board for 2019/20; and
- (2) Approve the draft "update to Council for the six months ending 30 September 2020" report for presentation to the County Council, possibly in November 2020.

## **42 DATE OF NEXT MEETING**

The next meeting will be held on 3 February 2021 at 1pm – venue to be confirmed.

The meeting ended at 1.35 pm