

CUMBRIA FIRE LOCAL PENSION BOARD

Minutes of a Meeting of the Cumbria Fire Local Pension Board held on Tuesday, 4 February 2020 at 1.00 pm at Community Room. Carlisle West Fire Station, Brookside, Carlisle CA2 7GW

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 L Davis	-	Democratic Services Officer
Mrs J Dole	-	Finance Manager Pensions Administration
Ms T Robinson	-	Business Partner - People Management
Ms L Taylor	-	Finance Manager - Pensions Investments and Governance
Mr S Ratcliffe	-	Observer

24 APOLOGIES FOR ABSENCE

There were no apologies for absence.

25 EXCLUSION OF PRESS AND PUBLIC

RESOLVED, that the press and public be excluded from the meeting during consideration of Agenda Item No 9 - Verbal Update on Emerging Issues on the grounds that it contained exempt information as defined under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 relating to the financial or business affairs of particular individuals.

26 MEMBERSHIP AND TERMS AND REFERENCE

Members were informed that Mrs J Willis had been appointed Chair and Mr D Harrison as Vice Chair for the ensuing two years.

The Terms of Reference were noted.

27 DISCLOSURES OF INTEREST

There were no disclosures of interest at the meeting.

28 MINUTES

RESOLVED, that the minutes of the meeting held on 22 October 2019 be agreed as an accurate record and signed by the Chair.

29 SCHEDULE OF FUTURE MEETINGS

The following future scheduled meetings were noted:-

5 May 2020 at 1 pm at Penrith Fire HQ

15 July 2020 at 1 pm at Cumbria House, Carlisle

22 October 2020 at 1 pm at Workington Fire Station

30 MONITORING REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2019

Board members considered a report from the Director of Finance (Section 151 Officer) which advised of any material risk management policy or governance issues and national regulatory changes to 31 December 2019 and any performance monitoring issues of the Scheme to 30 September 2019.

The Finance Manager – Pensions informed members that the one risk had been added to the register in the quarter (Sargeant Judgement) and one risk had been removed (Timeliness of Breach Reporting). Whilst the remedy to the Sargeant judgement was still not known and might not be until the summer of 2020, the new risk highlighted that it was becoming clear that whatever the remedy there would be an additional administration burden that the scheme would seek to adequately resource. Further information on the likely number of affected members was requested, and would be collated by People Management and circulated to Board members.

The risk register was appended to the report. Members noted that whilst there had been a number of developments that had led to amendments to the comments associated with some of the risks on the register, there were no proposed amendments to the scores associated with the impact or likelihood of the risks occurring.

Members noted that key performance indicators for YPS was 100% (against the SLA of 95%) for the quarter to 30 September 2019. A discussion took place around call waiting times. It was agreed that more information on Your Pension Services' call handling process be brought to the next meeting of the Board.

Members were informed that there were no breaches to report for the quarter to 30 September 2019 and that it had not been necessary to exercise any of the Scheme Manager discretions during the period.

The Business Partner, People Management updated members on a complaint that had been made to the Pension Ombudsman by a CFRS employee in November

2019. The CFRS has responded to the complaint within the set deadlines. Further information would be presented to future meetings as and when it arises.

With regards to pensionable pay, it was reported that CFRS, with support from People Management and Payroll were continuing to undertake a review of pensionable pay. An update report would be given to the next meeting of the Board.

A further update on the Annual Benefit Statement 2019 Survey would be given to a future Board meeting. The completed survey had been supplied within the 6th January deadline.

In relation to regulatory changes members noted that there had been no further developments in any of the following areas:-

- Public Sector discretionary exit payment lump sums
- Public Sector recovery of exit payments regulations (aka the “clawback” regulations)

Public Sector Exit Payment Restrictions had been on the government agenda since 2015 and in April 2019, HM Treasury launched a consultation and set draft regulations “The Restriction of Public Sector Exit Payments Regulations 2019”. The consultation had closed and an update would be given to the Board after the government released further information (expected after April 2020).

It was noted that the number of FPS members that had enrolled for My Pension Online, as at 30 September 2019, had remained at 40% of all scheme members. A discussion took place on how to encourage members to enrol for this service.

Board members were notified of relevant training events and encouraged to attend. Members were also advised that officers from the Scheme Advisory Board would be attending the next Board meeting on 5 May 2020 to provide an update on the Schemes and training on a number of topics.

RESOLVED, that

- (1) the performance of the Cumbria Firefighters’ Pension Scheme (FPS) to 30 September 2019 be received and material policy and governance issues and national regulatory changes to 31 December 2019 be noted;
- (2) information on Your Pension Services’ call handling process be brought to the next meeting of the Board;
- (3) an update report on Pensionable Pay be brought to the next meeting of the Board.

31 CUMBRIA FIREFIGHTERS' PENSION SCHEME (FPS) DATA IMPROVEMENT PLAN

Members considered a report from the Director of Finance (Section 151 Officer) which advised that Your Pension Scheme (YPS) had carried out a review of data in October 2019 specifically looking at items that the Pension Regulator referred to as common and specific data and this assessment indicated over 99% of common data and over 93% of scheme specific data was present and accurate.

In January 2019 a data plan was developed to further improve the quality of data across the scheme and this report updated members on progress made delivering against the plan during the quarter. The report concluded that good progress was being made with the actions detailed in the data improvement plan.

The Finance Manager - Pensions Investments & Governance informed members of the Member Tracing Exercise and whilst, the process was still ongoing, there were only 25 deferred members remaining to have their current addresses traced.

Members were informed that ten of the outstanding deferred members were aged over 50 and the DWP tracing service had been used in order to trace them. A response from the DWP was awaited. Two members were thought to be living abroad and had been written to but no response had been received so far. Four members were written to at their address shown on the Electoral Register and two had confirmed their current addresses. The remaining 11 members, all aged 45 and under (and therefore unable to draw their pensions for at least 10 years), would be assessed on a case by case and value for money basis. Members would be kept informed of progress. Board members congratulated and thanked the officers on the work undertaken on this.

Members were informed of the National Fraud Initiative (NFI), a compulsory exercise carried out every two years that matched electronic data within and between the public and private sector bodies to prevent and detect fraud. It was noted that the next data set from the NFI was scheduled to be received in 2020. The 2018 NFI exercise did not identify any scheme members that had died without the Scheme being aware of it.

Members noted that in September 2019 the Government Actuary Department (GAD) had released a high level summary of data issues for Cumbria from the 2016 valuation of the Scheme. The report noted that data for deferred member had very few issues and that all pensioner records were able to be included in the review. However, GAD excluded 11% of active member records with the main reason being related to pay or service data. Further investigations had been progressed with YPS that had revealed a validation error related to a number of new retained starters who were correctly recorded as being enrolled into the 2015 (CARE) Scheme, and it was a false error in the validation process. YPS had progressed this issue with officers at the Fire Scheme Advisory Board who would raise this with the Home Office.

Members were informed that GAD had asked for feedback on the 2020 valuation draft data specification and YPS had responded to this and included a comment about the validation error. An update would be given to members when received.

Members noted that there had been no general data protection regulation (GDPR) breaches relating to the Cumbria FPS since the implementation of GDPR in May 2018.

RESOLVED, that the report and data quality improvement plan be noted.

32 VERBAL UPDATE ON EMERGING ISSUES

Members received a verbal update on matters arising from the Senior Manager, Pensions and Financial Services. This included an update on the appointment process for a new Chair of the Fire Scheme Advisory Board and the progress of the Pension Scheme Bill including aspects of the proposed Pension Dashboards.

The meeting ended at 2.05 pm