

CKCUMBRIA FIRE LOCAL PENSION BOARD

Minutes of a Meeting of the Cumbria Fire Local Pension Board held on Thursday, 20 October 2022 at 2.00 pm at Cumbria Fire and Rescue Service HQ, Carleton Avenue, Penrith, CA10 2FA

PRESENT:

Mr D Harrison (Chair)

Mr AWC Lamb
Mr M Nicholson

Mrs J Willis (Vice-Chair)

Also in Attendance:-

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| Mr J Beard | - | Chief Fire Officer |
| Mr A Farrar | - | Democratic Services Officer |
| Ms S Sedgwick | - | Senior Advisor Pensions |
| Ms S Benson | - | Senior Advisor |
| Mr C Dawson | - | Head of Engagement, Marketing & Communication (LPPA) |

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

23 APOLOGIES FOR ABSENCE

No apologies were received.

24 MEMBERSHIP AND TERMS OF REFERENCE

The Terms of Reference were noted.

25 DISCLOSURES OF INTEREST

There were no disclosures of interest made at this meeting.

26 EXCLUSION OF PRESS AND PUBLIC

RESOLVED, that the press and public be excluded from the meeting during consideration of Agenda Item No 12 – Verbal Update on Emerging Issues by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as the reports contain information relating to the financial or business affairs of any particular person (including the Authority holding that information).

27 MINUTES

RESOLVED, that the minutes of the previous meeting held on 26 July 2022 be agreed as a true and accurate record.

28 SCHEDULE OF FUTURE MEETINGS

Members noted that the next scheduled meeting of the Cumbria Fire Local Pension Board would take place as follows:-

- 1 February 2023 at 2pm – Carlisle West Fire Station

29 MONITORING REPORT FOR THE PERIOD ENDING 30 JUNE 2022

Members considered a report from the Chief Fire Officer which advised them of any material risk management, policy or governance issues and national regulatory changes to 30 September 2022 and any performance monitoring issues of the Scheme to 30 June 2022.

The Senior Advisor – Pensions took members through the report, highlighting the following:

- **Risk** - The current risk register had 14 risks comprising 4 red risks, 2 amber risks and 8 green risks. No risks had been added or removed from the register. Following discussion at the previous Board meeting 2 risks were further reviewed (Pension Administration Process and Loss of Key Personnel).

Pension Administration Process – CFRS are in phase 2 of LPPA's transition to their new system (UPM). The project is reported to be on target; however, this quarters performance has been affected by the additional work, resulting in a decline in performance with a score of 69.2% against the SLA target of 95%. An agreed relaxation of the SLA is in place during periods of the project, until the transition is complete.

CFRS were included in the arrangements that CCC have with Lancashire CCC for the provision of pension administration which is then discharged to LPPA. With LGR and the transition of CFRS to the Police and Crime Commissioner as of 1 April 2023, this agreement will no longer exist. The identified risk is, that the arrangements with LPPA may not continue, however a project group has been set up, working in conjunction with LPPA to ensure adequate arrangements are in place.

Loss of key personnel - The Cumbria Police and Crime Commissioner will take on governance responsibility for CFRS on 1 April 2023. During the transitional period, the likelihood of loss of key personnel who are currently involved in the 2 major projects remains high. All being single points of expertise, the loss of anyone of these employees would have a significant detrimental impact on the delivery of these

projects, compounded by the allocation of staff between the CFRS and the two new unitary authorities. It is essential that robust protections are in place to ensure continuity of service. The allocation process has begun, with outcomes expected in November. Once this is known, further consideration will be given to the delivery of pension and the risks of loss of key personnel. This risk remains high and would impact on Fire pensions responsibilities therefore there has been no change to the risk score of 16 (high).

- **LPPA Performance** - In the quarter to 30 June 2022, performance against the KPIs had been 69.2%, against the SLA target of 95%. It should be noted that a number of SLA's were shortened in preparation for the move to a new system. Helpdesk performance was affected however, it has now returned to normal.
- **Legal Breaches**– members noted there were no legal breaches reported to the Pensions Regulator for the quarter to 30 June 2022.
- **Scheme Discretions** – members noted that no scheme discretions had been exercised during the quarter.
- **Pensions Ombudsman** – one case was appealed to the Pensions Ombudsman in a previous quarter, the outcome of which is not yet known.
- **IDRP** – The Board were informed that one Stage One Appeal had been concluded and one Stage Two Appeal had been referred to the panel.
- **Data Quality** – The data held by the Scheme continued to be of a good quality. Using the scoring mechanism as set out by the Pensions Regulator, the Scheme reported that 98.5% of its common data was present and accurate.
- **Remedy to Sargeant Age Discrimination Case** –There was no update to report.
- **Matthews Second Options exercise** – There was no further developments or updates.
- **Abatement** – Cumbria had been approached by LGA to share CCC's Re-engagement and Abatement Policy nationally, as an example of best practice.
- **Resources and Value for Money Implications** – Being able to estimate the main financial liabilities, in respect of the Sargeant Ruling was proving to be difficult. LGA have recently provided a “calculator” to assist with this process. Category 1 cases have been calculated and the estimated costs would be in the region of £310k.

A round table discussion took place regarding the loss of key personnel and the associated risks and issues regarding workbases. It was requested that a meeting was scheduled in December to discuss this further.

RESOLVED, That the Cumbria Fire Local Pension Board received and noted the performance of the Cumbria Firefighters' Pension Scheme (FPS) to 30 June 2022 and any material policy or governance issues and national regulatory changes to 30 September 2022.

30 UPDATE REPORT OF THE CUMBRIA FLPB TO COUNCIL

Members considered a report from the Chief Fire Officer, which provided an update to Council for the period ended 30 September 2022 for approval ahead of reporting to Council in accordance with the Board's Terms of Reference. The report would be presented to the County Council on 12 January 2023.

A round table discussion took place regarding the recent reduced performance of LPPA and the relaxation of the SLA. It was agreed that the report should be amended to reflect these issues and a revised report would be circulated for approval at the meeting in December.

31 TRAINING PLAN AND POLICY

The Board considered a report from the Chief Fire Officer which provided a summary of the training policy of the Fund - together with details of the Training Plan for the Board.

The training obligations and requirements of Board members (along with those of Officers) were reflected in the Cumbria FLPB training policy. In line with good practice the policy had been subject to an annual review and updated. As in previous years, the policy was designed to be dynamic and aligned to the work programme and changes to national policy.

Furthermore, Board Members were encouraged to undertake their own personal training for example through the Pensions Regulator's Public Sector Pension Scheme Trustee Toolkit. The Training Plan proposed to ensure that Members are kept up to date on developments within the Sargeant and O'Brien cases and the associated amended regulations and also with any updates on the Pensions Administration issues.

RESOLVED, that the Board

- (1) Considered and approved the updated Cumbria Fire Local Pension Board Training Policy;
- (2) Approved the specific training plan for the Board for 2022/23

32 LPPA UPDATE

The Operations Director - Local Pension Partnership Administration gave an update. The following areas were covered including:-

- Update on Project PACE
- Operational Performance

The Chair commented on staffing levels and training at LPPA and was an increase in personnel required.

The Head of Engagement, Marketing & Communication at LPPA noted that after Phase 1 additional staff had been recruited which was beneficial in preparation for Phase 2 and that training was on-going. LPPA target was to answer calls within 4 minutes and that had been achieved. It was anticipated that satisfaction scores would be reduced during Project PACE and that the situation was being addressed..

The Chair congratulated LPPA on their performance and thanked the Head of Engagement, Marketing & Communication at LPPA for their update.

33 DATE AND TIME OF NEXT MEETING

The next meeting will be held on 1 February 2023 at 2pm.

34 VERBAL UPDATE ON EMERGING ISSUES

The Chief Fire Officer updated the Board on current emerging issues, including:-

- Local Government Reorganisation

The meeting ended at 3.55 pm