

LOCAL PENSION BOARD
8 December 2021

Present:

*Scheme Manager
Representatives:*

*Scheme Member
Representatives:*

Other Attendees:

Mike Pearson (MP) (Ch)
Satnam Singh Rai
(SSR)

Philip Gilbard (PG)
James Leslie (JL)

Zoe Smyth (ZS) (Rewards & Benefits Manager)
Steve Yates (SY) (Note-taker)

Shayne Scott (SS)
Cllr David Thomas (DT)

Ben Redwood (BR)

Helen Scargill (HS) (WYPF)
Matthew Mott (MM) (WYPF)

Apologies:

*Scheme Manager
Representatives:*

*Scheme Member
Representatives:*

Other Attendees:

Andy Hallam (AH)

MIN NO.	ITEM TITLE
LPB/21/41	<u>Conflict of Interest Declaration</u> No new interests were declared.
LPB/21/42	<u>Notes</u> The Notes of the meeting held on 15 September 2021 were AGREED .
LPB/21/43	<u>Review of Actions</u> CONSIDERED updated Action Log (at 9 June 2021) listing Open Actions. Progress against actions was indicated in the comments column. It was noted that: <ul style="list-style-type: none">• KPIs. This action would be closed as it was now subsumed into a subsequent, later action;• WYPF business continuity plan. MP was still to review information provided by WYPF;• Administration, Governance & Management Strategy. The final template had been issued and work was in hand to produce a version for this Board. Once complete, this would be circulated to Board members for comment prior to subsequent adoption;• Injury pensions/incorrect deductions of retirement allowance. The decision had been taken to refund any deductions made. Action to be closed;

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	<ul style="list-style-type: none"> • LPB new member induction – action closed as taken place. A new Board member (Scheme Member) would be joining in 2022 and would require induction. Sessions would be made available to all existing Board members by way of a refresh opportunity; • Recruitment for new Board member (Scheme Member). This would commence early in January 2022 with view to replacement being in place for the March 2022 Board meeting; • Additional KPIs still requiring development. This was ongoing. The Governance Strategy, once adopted, may identify further KPIs for development; • Risk register review was still to be undertaken – probably early in 2022; • The Pension Regulator (tPR) administration survey was anticipated in January 2022. Timing-permitting, a draft response would be circulated to the Board for comment before return to tPR; • Once the new Board member was in place, the Training Needs Analysis would be undertaken again to identify developmental/training opportunities moving forwards; • the action to determine whether the injury pensions/incorrect deductions of retirement allowance issue was a breach of law, and if so whether this was reportable, should be reinstated to the Action Log; • a response to the consultation on amendments to firefighters pension regulations was being progressed by ZS. <p>MP had circulated the Pension Regulator’s self-assessment toolkit outcome to all Members. While this was showing green for all issues, the next stage would be to check how well this was still working.</p> <p><i>(See also Notes LPB/21/48 and LPB/21/49 below).</i></p>
LPB/21/44	<p><u>Training Log Update</u></p> <p>NOTED latest version of the Board Training Log (updated November 2021). It was noted that DT had completed 5 of the seven essential modules. PG advised that he had undertaken all of the modules.</p> <p>DT advised that the Pensions Scams e-learning module was indicated as “currently unavailable due to essential maintenance”. This was not, however, one of the essential modules.</p> <p>Board members were asked to confirm their completion of the modules and to forward the completion certificates for publication on the pensions page of the Service website.</p>
LPB/21/45	<p><u>Correspondence Update</u></p> <p>NOTED latest version of log listing all correspondence received and circulated to Board Members since the last meeting.</p>

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LPB/21/46	<p data-bbox="336 219 464 255"><u>Website</u></p> <p data-bbox="336 282 1018 318">NOTED that the website required amendments:</p> <ul data-bbox="395 338 1442 611" style="list-style-type: none"> <li data-bbox="395 338 1442 409">• addition of new Members and completion of training records for Board Members; <li data-bbox="395 432 1334 468">• addition of Ben Redwood as Scheme Manager representative; <li data-bbox="395 490 1315 526">• removal of Andy Hallam as Scheme Manager representative; <li data-bbox="395 548 1350 611">• change title of Human Resources Management & Development Committee to People Committee. <p data-bbox="336 629 1469 701">Board Members were encouraged to keep the page under review and advise of further amendments required.</p>
LPB/21/47	<p data-bbox="336 734 547 770"><u>Risk Register</u></p> <p data-bbox="336 779 1485 887">CONSIDERED latest version (v1.09) of the Board Risk Register which had been updated to reflect changes in lead officers. The risk around age discrimination/immediate detriment remedy may need to be revisited.</p>
LPB/21/48	<p data-bbox="336 920 767 956"><u>Key Performance Indicators</u></p> <p data-bbox="336 983 1469 1090">CONSIDERED paper providing an update on development of Key Performance Indicators (KPIs) for both the Service and the Board. This detailed progress against the two established KPIs:</p> <ol data-bbox="395 1111 1490 1635" style="list-style-type: none"> <li data-bbox="395 1111 1490 1328">1. submission of monthly pension reporting to WYPF by the last day of the month – secured for each month up to and including November 2021, with the exception of March 2021. The reasons for the delay in submission were understood (year end and month end) and measures being considered (i.e. a separate KPI for year end/month end) to resolve reporting issues in future years; and <li data-bbox="395 1346 1490 1635">2. notifications of normal retirement and timeframes for submission – the Pay and Conditions Team had continued to submit notifications of normal retirements to WYPF within the SLA of five days of receipt. 24 (75%) of the 32 retirements during the period 1 December 2020 to 30 November 2021 had been submitted to WYPF outside of the six-week SLA. This was due to insufficient notification (i.e. less than six weeks prior to the proposed retirement date) and provision of information to the Pay & Conditions team. <p data-bbox="336 1655 1481 1872">DT questioned the reason for the failure to provide six weeks notice. ZS advised that there were a number of reasons (e.g. failure to advise line manager; difference between contractual notice period [four weeks] and time required to process retirement calculations). In the case of the latter, DT commented that this was, potentially, in insoluble conundrum and on this basis questioned the benefit of the particular KPI in this form if it was – in part, at least – bound to fail.</p>

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	<p>MP accepted that if a KPI could not be used to drive improvement, it was of little benefit. Consideration would, as such, be given to modifying this KPI into a form that would be helpful e.g. when the Service does receive sufficient notification, how often did the Service meet the target for submission to WYPF?; then, a separate KPI (to drive communications) on timely submission of paperwork to the Service. Action: ZS to consider.</p> <p><i>(See also Note LPB/21/43 above).</i></p>
<p>LPB/21/49</p>	<p><u>Scheme Manager Update</u></p> <p>CONSIDERED paper summarising current pension matters both locally and nationally which required input from the Service. In particular, the paper addressed:</p> <p><i>Governance & Strategy</i></p> <p>The final template Strategy had been issued by the LGA. Work was in hand to produce a version, based on the Strategy, for this Board. It was intended that this be adopted prior to the March 2022 Board meeting.</p> <p><i>Pension Communications</i></p> <p>HM Treasury had published its response to the Cost Control Mechanism consultation on 4 October 2021.</p> <p>The Pension Ombudsman had launched a new page – “How to avoid the Ombudsman” – on its website containing top tips, links to case studies, key determinations and frequently asked questions.</p> <p>Internal communications, via “Shout Out, had been issued in early November on publication of the Immediate Detriment Framework, advising in particular of the four-month timeframe to process retirements under the Framework and that pensionable service under the 1992 scheme up to and including 31 March 2022 would remain protected for all active FPS members still in service.</p> <p>A new section had been added to the FPS member website on the 2015 Remedy, setting out background to the McCloud/Sargeant age discrimination ruling and a series of frequently asked questions. A link to this would be included in the pensions section of the intranet.</p> <p>WYPF was now advising members contacting them directly that two estimates per scheme member on a rolling twelve month period could now be processed, with each estimate based on a leaving date within twelve months of the date of request. The pensions section of the intranet would be amended to reflect this change.</p>

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	<p><i>Pension Projects (2015 Remedy [Sargeant])</i></p> <p>The Immediate Detriment Framework and associated guidance had been issued by the LGA on 8 October 2021, with fire and rescue authorities encouraged to sign up to it. Subsequently, an additional joint FBU/LGA statement and revised guidance had been issued following publication of an HMRC policy document and the Finance (No. 2) Bill which both indicated a move towards authorising payments of lump sums paid more than twelve months after retirement. Since the last Board meeting, six requests for immediate detriment quotations for retirement before 1 April 2022 had been received.</p> <p><i>Reporting Breaches of Law</i></p> <p>There had been no breaches to report since last meeting</p> <p><i>Internal Dispute Resolution Procedure (IDRP)</i></p> <p>There had been no new complaints under the Procedure since the last Board meeting.</p> <p><i>Board Membership</i></p> <p>It was noted that this would be AHs final Board meeting. The Board asked to have placed on record their thanks and appreciation for the support provided during AHs time in office.</p> <p><i>(See also Notes LPB/21/43 above and LPB/21/50 below).</i></p>
LPB/21/50	<p><u>Age Discrimination Remedy</u></p> <p>MP advised that, since the last Board meeting, there had been significant developments. MP outlined the background to and implications of this issue (the McCloud/Sargeant age discrimination ruling). Ultimately, the remedy would require legislation which was currently in draft form with a view to implementation on 1 April 2022.</p> <p>Previously, both the LGA and Home Office had issued guidance on progressing immediate detriment cases prior to the legislative remedy being in place. Subsequently, the LGA and FBU had negotiated an Immediate Detriment Framework (IDF) for adoption by fire and rescue authorities and designed to mitigate the risks of further employment tribunals.</p> <p>In February of this year, the Authority had determined to halt any further transfers from the 92 Scheme and to begin to process “pipeline” cases (i.e. firefighters coming up to retirement) on the basis of firefighters taking all payments from the legacy scheme (should they so wish), subject to agreeing that the associated calculations were provisional and could be subject to change once the final remedy legislation was in place. These calculations would need to be undertaken manually as the software did not yet exist for this.</p>

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	<p>The IDF also put in place proposals not just for “pipeline” cases (referred to Category 1) but also for Category 2 cases (i.e. those firefighters who had already retired). HMRC had clarified, though, that any adjustments to lump sum payments made more than twelve months ago would be classified as unauthorised payments.</p> <p>Subsequently, the Home Office had advised that, following further work with Treasury colleagues, the technical matters associated with remedy were more complicated than initially thought. Consequently, the Home Office had withdrawn its initial guidance and advised fire and rescue authorities to cease processing any immediate detriment claims until the remedy position was clear. The Home Office had further commented that, given this stance, the government would not cover any costs associated with any payments outside of the pension accounting provisions prior to the remedy position being enacted.</p> <p>The Home Office had also advised that, on basis of a recently-issued HMRC policy statement, any adjustments to lump sum payments more than twelve months old would not be treated as unauthorised payments but only with effect from 6 April 2022. Until this date, the costs of unauthorised payments would fall to the Authority.</p> <p>The Authority had not, to date, signed up to the IDF and, while the Home Office guidance had been withdrawn, the legal position had not changed. The legal advice obtained by the Authority was clear in terms of action that might be taken to process pipeline cases. Consequently, the Authority was proposing to continue processing “pipeline” cases on the basis already agreed (which was based on the legal advice obtained) and within existing, Scheme rules (e.g. overpayment of contribution refunds) but, in light of the Home Office statement, not to address any cases of firefighters who had previously retired (i.e the IDF Category 2 cases).</p> <p>Communications on this position would be issued in due course, albeit there had been no formal consultation with representative bodies at this stage. The Service was doing all it could to process those cases it could address in a proportionate and timely manner, within the existing legal framework.</p> <p>The LGA had commissioned further legal advice which was expected imminently. Once available, this would be reviewed to see whether it impacted on the Authority’s current commission. Additionally, WYPF had been approached with a view to potentially commissioning further legal advice to assist its clients (i.e. fire and rescue authorities).</p> <p>Concerns had also been raised as to the timeframes proposed by the IDF for addressing immediate detriment cases i.e. having sufficient resourcing available to do this (both internally within the Service and with WYPF).</p>
LPB/21/51	<p><u>Topic of Interest</u></p> <p>It was noted that the topic of interest scheduled for discussion at this meeting (resolving disputes) and the previous meeting had been deferred due to shortage of LGA resources.</p> <p>It was anticipated that the LGA would be at full strength again in January 2022.</p>

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	The Training Needs Analysis, once refreshed, would inform future topics of interest.
LPB/21/52	<p data-bbox="336 322 683 358"><u>LPB Work Programme</u></p> <p data-bbox="336 371 1437 481">NOTED latest version of the Board work programme to December 2022. This would, though, be a rolling work programme, with indicative items subject to change. Other items could be incorporated as required.</p>
LPB/21/53	<p data-bbox="336 508 660 544"><u>Date of Next Meeting</u></p> <p data-bbox="336 573 1430 683">To be confirmed. Initial time/date of 15.00hours, Wednesday 16 March 2022 would need to be amended (potentially to week beginning Monday 21 March 2022) to avoid a clash with LGA Annual Fire Conference.</p>

The Meeting started at 3.00 pm and finished at 4.12 pm