

CUMBRIA FIRE LOCAL PENSION BOARD

Minutes of a meeting of the Cumbria Fire Local Pension Board held on Tuesday, 1 February 2022 at 2.00 pm on Microsoft Teams.

PRESENT:

Mr D Harrison (Chair)

Mr M Nicholson

Mrs J Willis (Vice-Chair)

Also in Attendance:-

Mr J Beard	-	Chief Fire Officer
Mr A Farrar	-	Democratic Services Officer
Mr P George	-	Group Finance Manager - Pensions, Investments and Insurance
Ms L Taylor	-	Finance Manager - Pensions Investments and Governance
Ms S Sedgwick	-	Senior Advisor Pensions
Ms K Ward	-	Business Partner

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

85 APOLOGIES FOR ABSENCE

Apologies were received from Mr A Lamb.

86 MEMBERSHIP AND TERMS OF REFERENCE

The Terms of Reference were noted. There were no changes of membership to note.

87 EXCLUSION OF PRESS AND PUBLIC

RESOLVED, that the press and public be excluded from the meeting during consideration of Agenda Item No 9 – Update on Sargeant Remedy and Immediate Detriment, and Agenda Item No 10 – 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).

88 DISCLOSURES OF INTEREST

Mr D Harrison declared a non-pecuniary interest. Sellafield and Cumbria County Council have a contract for which Mr Harrison is the Contract Manager.

89 MINUTES

RESOLVED, that the minutes of the previous meeting held on 22 October 2021 be agreed as a true and accurate record.

90 SCHEDULE OF FUTURE MEETINGS

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

- 3 May 2022 at 1pm
- 26 July 2022 at 1pm
- 20 October 2022 at 1pm
- 1 February 2023 at 1pm
- 19 April 2023 at 1pm

91 MONITORING REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2021

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 2021 and any performance monitoring issues of the Scheme to 31 December 2021.

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

- **Risk** - The current risk register had 14 risks comprising 2 red risks (information security arrangements and Sargeant Judgement), 2 amber risks and 10 green risks. No risks had been added or removed from the register. Two risk scores had been amended. The Information Security target score had been adjusted from a likelihood score of 2 “unlikely” to 3 “possible”. The overall target score had increased from 10 to 15. The Sargeant Judgement target score had been increased from 4 “likely” to 5 “very likely) this has increased the score from 12 to 15.
- **LPPA Performance** - In the quarter to 30 September 2021, performance against the KPIs had been 99%, against the SLA target of 95%.
- **Legal breaches**– members noted there were no legal breaches reported to the Pensions Regulator for the quarter to 30 September 2021.
- **Scheme Discretions** – members noted that no scheme discretions had been exercised during the quarter.

- **Pensions Ombudsman** – there had been no cases referred to the Pensions Ombudsman during the period.
- **IDRP** – The Board were updated on a Stage Two Appeal that had been concluded during the quarter. The panel met to review the details of the case, and they agreed the outcome of the Stage 1 appeal was correct but recognised, that the claimant sought further resolution and after further consideration agreed the claimant should be
 - refunded for the cost of applying to the court to have the CCJ removed,
 - interest applied to the original debt should be credited.
 - recognised that the complainant received below standard service and was offered £500 in respect of non-financial injustice.

The Claimant had been notified within the 2 month deadline.

There was also one other stage 2 appeal which was reported to the board last quarter, where the complainant claimed that their pension estimates were incorrect which also affected the tax and NI paid. The decision of the panel was not to uphold the appeal however, the complainant has been offered an amount in respect of non-financial injustice and has now accepted.

- **Data Quality** – The Scheme had benefited from the work undertaken before the pandemic, and 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 a separate paper at Item 9 which provided an update on the Sargeant Remedy and Immediate Detriment.
- **Training** – Immediately after the meeting Claire Hey would deliver a training session which provided an update on current issues which included the implications of Sargeant and O'Brien.
- **Local Government Reorganisation** – The Police & Crime Commissioner published a public consultation to gain the views and feedback of staff, public and key partners on future governance of Cumbria Fire and Rescue Service.
- **Other regulatory changes** – There had been no further regulatory changes of note that affected the Fire Pension Scheme since the last meeting of the Board in October 2021.

A member asked if the online Information security training had been rolled out to Members.

The Group Finance Manager - Pensions Investments & Insurance noted that a communication regarding the Information Security training for the current year was expected soon.

The Chair wished to pass on his thanks to the LPPA as their performance had improved again. He noted the IDRPs and commented on the financial payments and asked for clarification as to whether LPPA or Cumbria County Council pay these.

The Group Finance Manager - Pensions Investments & Insurance remarked that the payments were paid by Cumbria Fire & Rescue Service. The administration arrangement with LPPA was on a 'not for profit' basis which was considered more cost effective for Cumbria Fire & Rescue Service than a commercial arrangement that may have covered these occasional costs.

The Senior Advisor – Pensions confirmed that all lessons learned were shared with relevant teams.

RESOLVED, that the Cumbria Fire Local Pension Board received and noted the performance of the Cumbria Firefighters' Pension Scheme (FPS) to 30 September 2021 and any material policy or governance issues and national regulatory changes to 31 December 2021.

92 DATE AND TIME OF NEXT MEETING

The next meeting will be held on 3 May 2022 at 2pm.

93 UPDATE ON SARGEANT REMEDY AND IMMEDIATE DETRIMENT

Members considered a report from the Chief Fire Officer which provided the Cumbria Fire Local Pensions Board with an update on the remedy to the unlawful Age Discrimination found by the Court of Appeal, in December 2018. This case related to the transitional protection arrangements offered to some older members of the 1992 and 2006 Fire pensions schemes, when the 2015 Fire Pension Scheme was introduced.

The Government consulted on the various options to remove the discrimination and published their response in February 2021. The Deferred Choice Underpin (DCU) had been confirmed as the remedy, meaning those in scope would have the choice between CARE (reformed) or final salary (legacy) benefits for the remedy period, at the point at which the scheme member retired. The remedy is complex; and the main concern relates to how to deal with those who under the legacy scheme would have an immediate entitlement to pension benefits.

Members were advised that the informal and non-statutory guidance on processing certain kinds of claims that was originally published in August 2020, was withdrawn by the Home Office with immediate effect on 29 November 2021, and the Government advises against processing any cases related to immediate entitlement under the remedy, before the legislation is in place, given the risks and uncertainty involved.

RESOLVED, that the Cumbria Fire Local Pensions Board noted the contents of this report.

94 VERBAL UPDATE ON EMERGING ISSUES

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

- Local Government Reorganisation
- Police & Crime Commissioner consultation
- Venues and timings for Future Meetings

The meeting ended at 2.55 pm