LOCAL PENSION BOARD

CLEVELAND FIRE AUTHORITY

FIREFIGHTER PENSION SCHEMES
MINUTES OF ANNUAL BOARD MEETING
20 NOVEMBER 2019

PRESENT:

EMPLOYEE REPRESENTATIVE
Dave Howe – Vice Chair
Brian Gibson

EMPLOYER REPRESENTATIVES
Councillor Teresa Higgins – Chair
Karen Winter

IN ATTENDANCE:
Ian Hayton - Scheme Manager
Beverley Parker - Governance/Training Advisor
Diane Snelling - Technical Pensions Advisor
Paul Mudd - Governance Manager, XPS Pensions Unit

1. APPOINTMENT OF CHAIR

Nominations were sought for the position of Chair of the Local Pension Board. Councillor Higgins was subsequently proposed and seconded whereupon nominations were closed.

RESOLVED – that Councillor Higgins be appointed Chair of the Local Pension Board for the ensuing year.

Councillor Higgins in the Chair

2. APPOINTMENT OF VICE CHAIR

The Chair sought nominations for the position of Vice Chair of the Local Pension Board. Mr Dave Howe was subsequently proposed and seconded whereupon nominations were closed.

RESOLVED – that Mr David Howe be appointed Vice Chair of the Local Pension Board for the ensuing year.

3. DECLARATION OF MEMBERS INTERESTS

It was noted no Declarations of Interests were submitted to the meeting.

4. MINUTES

RESOLVED – that the Minutes of the Local Pension Board Meeting on 27 February 2019 be confirmed.

5. CHAIRS ANNUAL BUSINESS REPORT

The Chair presented the Annual Report covering:-

- Membership
- Terms of Reference
- Board Meetings
- Transparency
- Budgets
- Notifications of Interest
- Record Keeping
- Approved Guidance Notes
- Breaches of the Law
- Risk Register
- GDPR
- FPS Bulletins
- Training

Dave Howe commended the environmental and cost saving benefits of the Brigade using recycled paper for printing.

RESOLVED - That the Board noted the effectiveness and efficiency of the Boards governance arrangements as detailed in the Chairs Annual Business Report.

6. THE PENSION REGULATOR (TPR)

6.1 TPR – Public Service Governance and Admin Survey 2018

The Board considered the findings of the above survey contained within the Commentary of Results at Appendix 1. Mrs Winter supported the proposal to increase meetings to four/year which would allow the Board to deal with fewer issues in greater detail at each meeting.

The Board discussed the requirement to maintain Board Membership to avoid breaching the law when a vacancy occurred and agreed that one additional Employer Member and one additional Employee Member be recruited to the Board.

RESOLVED :-

(i) That the TPR – Public Service Governance and Admin Survey 2018 Commentary of Results be noted.

(ii) That the Boards governance be strengthened by:-

- **meeting four times a year**
- **recruiting <u>one</u> additional Employer Member and <u>one</u> additional Employee Member**

7. GOVERNANCE AND ADMINISTRATION

The Board considered the report which covered:

- Terms of Reference
- Breaches of Law
- Annual Benefit Statements Progress
- AON - Admin & Benchmarking Review - Executive Report
- Firefighters' (England) Scheme Advisory Board Levy 2019/20

The Scheme Manager highlighted the proposed changes to the Local Pension Board Terms of Reference at Appendix 1 which reflected the TPR recommendations and good practice regarding increasing the number of Board meetings and membership.

The Scheme Manager circulated details of a potential Breach by XPS in relation to Scheme Members not receiving adequate notification that their Annual Benefit Statement had been published online and how to access it. He noted that although this issue had been rectified it was for the Board to consider whether it constitutes a breach and if so at what level.

Mr Mudd confirmed that the Annual Benefit Statements were available by the 31 August deadline. He reported that the communication oversight had occurred due to two significant staff changes and acknowledged that other elements had not been managed as expected. These issues had now been rectified by recruiting more staff and making provisions to ensure this does not happen again.

The Board assessed the information under the traffic light system criteria and determined that this was a low risk and it was not a material breach, therefore did not require reporting to TPR but would be recorded in the LPB Register of Breaches.

RESOLVED:

(i) That the report be noted

(ii) That the updated Local Pension Board Terms of Reference at Appendix 1 be adopted.

(iii) That the Breach be recorded in the Register of Breaches.

8. COMMUNICATIONS

8.1 FPS Bulletins 16 - 24

The Board discussed the following issues from the previously circulated Bulletins:

- Scheme Pays – XPS had written to those who this may potentially apply to and it was agreed that they would deliver an information session to scheme members to increase awareness
- Public Service Pension Indexation and Revaluation 2019 – this puts a potential liability of £1.6m on the Authority
- 2019 Amendment Order – XPS have undertaken an exercise and found some members that this applies to
- Restricting exit payments in the public sector
- FPS 2015 Transitional protections challenge update – awaiting further information

8.1 FPS Bulletins 16 - 24 cont.

RESOLVED:-

(i) That the report be noted

(ii) That XPS deliver a Scheme Pays information session on how this may affect Scheme Members

(iii) That XPS carry out a communications exercise to identify those affected under the 2019 Amendment Order – SI 2019/378 and report back to the Board

9. TRAINING & DEVELOPMENT

The Board considered the report and agreed that a training programme for 2019/20 be established incorporating the following risk areas identified by the TPR 2018 survey assessment findings (as detailed at minute no. 6.1) and the findings of the completed Training Needs analysis:

- Scheme Governance
- Record Keeping
- Internal Controls

RESOLVED:-

(i) That the 2018/19 Training Log at Appendix 1 be noted.

(ii) That the Board Members return their completed Training Needs Analysis Forms to Mrs Parker to enable the completion of the 2019/20 Training Programme.

(iii) That the Board complete all TPR online training modules by March 2020.

(iv) That the LGA Firefighters' Pension Scheme Training Survey at Appendix 3 be noted.

10. PROGRESS OF RISK REGISTER

The Board reviewed the Risk Register at Appendix 1 and sought assurances regarding Cyber Security. Mr Mudd confirmed that the move from Kier to XPS involved moving data from 'Office' to 'Cloud' and there was a policy and assurance process in place, and agreed to provide a full response to the Board at its next meeting which would include a visual representation.

Mrs Winter asked what training XPS staff are given and how many staff are knowledgeable in the Firefighter Pension Schemes. Mr Mudd reported that there is a training plan in place which is delivered by senior trainers, quarterly performance monitoring and over 28 staff in different departments are competent in the Firefighter schemes.

He assured the Board that XPS had an internal training programme in place to ensure staff were adequately trained and did not consider this to be a substantial risk to the Scheme Manager.

10. PROGRESS OF RISK REGISTER cont.

RESOLVED:-

(i) That the Board considered the Risk Register to be current and appropriate.

(ii) That Mr Mudd updates the Board with the full XPS Cyber Security arrangements at the next meeting.

(iii) That unconditional data be added to the risk register as a medium risk (see Minute No. 13.)

11. JOINT LOCAL PENSION BOARDS

The Board considered the Scheme Managers report on Joint Local Pension Boards and agreed while there may be efficiencies to be made from shared training opportunities regionally it was not applicable for Cleveland to appoint a Joint Board.

RESOLVED:-

(i) That the report be noted

(ii) That a Joint Board was not applicable to Cleveland.

12. MEMBER REPORT

12.1 FBU Brigade Secretaries Circular 2019 – Split Pensions/Pensionable Pay

This item was considered at minute no. 8.1.

13. XPS SERVICE DELIVERY REPORT 2019/20 - tabled

Mr Mudd circulated the 2018/19 Service Delivery Report which was discussed and scrutinised by the Board with the following issues highlighted:

- No complaints had been received
- A Common Data Score of 97.96% was recorded for accuracy which was acceptable to the regulator but he confirmed XPS would always strive to improve.
- Achieved 100% achievement on Service Delivery charts
- An engagement and contract management meeting schedule with HR was currently being arranged
- Sessions were being arranged to meet with Scheme Members to promote the self-service facility.
- XPS were working on scoring conditional data in-house to ensure it is the best quality possible and would bring progress on this to the next meeting.
- The scheme return had been submitted which now included requests for conditional data

RESOLVED :–

(i) That HR & XPS establish a regular engagement programme of meetings

(ii) That Mr Mudd provides an update on the progress of 'conditional data scoring' to the next meeting

(iii) That conditional data be added to the risk register as a medium risk

(iv) Sessions be arranged with Scheme Members regarding Self Service

(v) The completed Scheme Return be circulated for information to the Board

14. ANY OTHER BUSINESS

14.1 Employee Query

Mr Howe raised a query by a Scheme Member regarding automatic enrolment. Mrs Snelling confirmed that this had been fully investigated and the issue had now been resolved.

14.2 Notice of Resignation

Mrs Winter informed the Board of her resignation as an Employer Representative, but was happy to remain until a replacement had been found.

RESOLVED – that Karen Winter's resignation from the Board be accepted, pending the recruitment of a replacement Employer Representative.

Mr Mudd left the meeting

15. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION ORDER) 2006

RESOLVED - That under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, namely information relating to the financial or business affairs of any particular person (including the authority) holding that information.

16. CONFIDENTIAL MINUTES

RESOLVED – that the Confidential Minutes of the Local Pension Board Meeting on 27 February 2019 be confirmed.

COUNCILLOR TERESA HIGGINS
CHAIR