

**Northamptonshire Local Pension Board  
(Firefighters' Pension Scheme)**

**9 March 2020  
2.00pm**

**Conference Room  
Moulton Logistics Centre  
Northants Fire & Rescue HQ  
Moulton Way  
Northampton NN3 6XJ**

**AGENDA**

**\* Papers enclosed**

| Item No. | Subject  | Responsible Officer |
|----------|--|---------------------|
| 1.       | Apologies for Absence and Declaration of Interests                   | Chair               |
| 2.*      | Minutes from the meeting held on 25 September 2019                   | Jenny Daniels       |
| 3.*      | Firefighters' Pension Scheme(s) Administration                       | Joanne Walton       |
| 4.*      | Compliance with the Pensions Regulator's Code of Practice            | Joanne Walton       |
| 5.*      | Northamptonshire Firefighters' Pension Scheme(s) Draft Risk Register | Joanne Walton       |
| 6.*      | Member Training Policy   | Joanne Walton       |
| 7.*      | Committee Dates 2020-2021  | Jenny Daniels       |

**EXEMPT ITEMS**

In respect of the following items the Chairman may move the resolution set out below, on the grounds that if the public were present it would be likely that exempt information (information regarded as private for the purposes of the Local Government Act 1972) would be disclosed to them:

The Committee is requested to resolve: "That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) of business on the grounds that if the public were present it would be likely that exempt information under Part 1 of Schedule 12A to the Act of the descriptions against each item would be disclosed to them"

**Issued: 28 February 2020**

Jenny Daniels  
Democratic Services  
Northamptonshire County Council  
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Northampton NN1 1ED  
Tel: 01604 366813 email: [jdaniels@northamptonshire.gov.uk](mailto:jdaniels@northamptonshire.gov.uk)



Democratic Support Service  
 One Angel Square  
 Northampton  
 NN1 1DE

**Northamptonshire Fire & Rescue Service  
 Local Pension Board  
 Meeting held in public in  
 The Conference Room, Moulton Logistics Centre, Moulton, Northampton**

**Actions & Summary of Meeting: Wednesday 25 September 2019**

PRESENT:-

Jim Dorrill (Employee Representative & Chairman)

Shaun Hallam

Employer Representative

Kevin Aitken

Employee Representative

Also in attendance (for all or part of the meeting)

Paul Hanson  
 Joanne Walton

Democratic Services Manager  
 LGSS Pensions Governance & Regulations Manager

| Item No. | Item   | Action to be taken by |
|----------|--|-----------------------|
| 09/19    | <p><b><u>Apologies for Absence and Declarations of Interest:</u></b></p> <p>Apologies were received from the Chief Fire Officer, Darren Dovey</p> <p>There were no declarations of interest.</p> |                       |

|       |   |  |
|-------|---|--|
| 10/19 | <p><b><u>Minutes of the Meeting held on 11<sup>th</sup> March 2019:</u></b></p> <p>The minutes of the meeting held on 11<sup>th</sup> March 2019 were agreed as a true record, subject to the last sentence of the first paragraph under item 06/19 being amended to read “It was important to ensure everyone was happy with the process detailed in Section 11 of the report.”</p> <p>It was noted that, with reference to item 03/19 (Northamptonshire Firefighters’ Pension Scheme(s) Administration), a board had been established in order to determine the anticipated retirement profile for the service. It was agreed that Shaun Hallam would share details of this with the LGSS Pensions Governance &amp; Regulations Manager.</p> <p><b>RESOLVED that: the Local Pension Board approved the minutes of the meeting held on 10 September 2018 subject to the last sentence of the first paragraph under item 06/19 being amended to read “It was important to ensure everyone was happy with the process detailed in Section 11 of the report.”</b></p>   | <p><b>Shaun Hallam</b></p> <p><b>Jenny Daniels</b></p> |
| 11/19 | <p><b><u>Northamptonshire Firefighters’ Pension Scheme(s) Administration:</u></b></p> <p>At the Chairman’s invitation, the Pensions Governance &amp; Regulations Manager Joanne Walton introduced this report (copies of which had been previously circulated) and highlighted the following:</p> <ul style="list-style-type: none"> <li>• The report provided an update to the Board on work that the LGSS Pensions service had undertaken as third party administrator;</li> <li>• The Data Improvement Plan had been updated following the last meeting of the Board in order to reflect the updates set out within the report;</li> <li>• The ongoing contracting-out reconciliation exercise was ongoing and details of how overpayments would be handled was shared. The Board was advised that the next stage of work was more detailed and labour intensive, meaning that the LGSS Pensions service would have to engage the scheme manager to discuss costs;</li> <li>• On the issue of member addresses, the Board was advised that, where no address was held for a scheme member, this would cause an issue under GDPR. The LGSS Pensions Governance &amp; Regulations Manager shared details of a proposal to issue proof of existence certificates which, if unreturned, would trigger further investigation as well as the suspension of pension payments. The use of a tracing company may be necessary, in which case costs would be discussed with the Scheme Manager.</li> </ul> <p>In answer to a query on the report, it was agreed that a summary of costs associated with the activities outlined in</p> |  |

|              |  |                             |
|--------------|--|-----------------------------|
|              | <p>the report be compiled and submitted to the Scheme Manager.</p> <p><b>RESOLVED that: the Local Pension Board:</b></p> <ol style="list-style-type: none"> <li>1) <b>Noted the content of the report; and</b></li> <li>2) <b>Agreed that a summary of costs associated with the activities outlined in the report be compiled and submitted to the Scheme Manager</b></li> </ol>  | <p><b>Joanne Walton</b></p> |
| <p>12/19</p> | <p><b><u>The Pensions Regulator – public service governance and administration survey results 2018</u></b></p> <p>At the Chairman’s invitation, the Pensions Governance &amp; Regulations Manager Joanne Walton introduced this report (copies of which had been previously circulated) and highlighted the following:</p> <ul style="list-style-type: none"> <li>• The Pensions Regulator had taken some time to compile the results of the survey, but now the results were available, it was possible to compare the work of the Board to other boards;</li> <li>• In order to be more compliant with best practice, it was recommended that the Board should meet quarterly instead of twice a year. It was agreed that the cost implications of such a change be discussed with the Scheme Manager;</li> <li>• In order to address the issue of risk, a risk register for the scheme had been created and was detailed under the next agenda item;</li> <li>• An independent audit of the administration performance could be commissioned in order to provide greater assurance, but there would be a significant cost implication;</li> <li>• With reference to data reviews, the Board heard that a data improvement plan was in place and a review had been undertaken in October 2018;</li> <li>• Last year 100% of Annual Benefit Statements had been issued by 31 August. This year the figure was 99.7%. This translated to a single ABS being issued late. This was a technical, but non-material, breach of the law and it was open to members to report this to the Regulator.</li> </ul> <p>In answer to queries on the report the following was confirmed:</p> <ul style="list-style-type: none"> <li>• If additional meetings were to take place, they could be used to provide training to enable Board members to review certain topics in greater depth;</li> <li>• An independent audit could be included within the wider audit work undertaken at Northamptonshire Police. It was suggested that this could be submitted to the Chief Finance Officer for further consideration;</li> <li>• Two of the Board members indicated that their Annual Benefit Statements were incorrect. It was agreed that the Pensions Governance &amp; Regulations Manager would look into this.</li> </ul> |                             |

|       |   |  |
|-------|---|--|
|       | <p><b>RESOLVED that: The Local Pension Board:</b></p> <ol style="list-style-type: none"> <li>1) Noted the contents of the report;</li> <li>2) In response to the recommendation that the Board meet quarterly, agreed that the cost implications of such a change be discussed with the Scheme Manager; and</li> <li>3) Agreed that the Chief Finance Officer be asked to consider whether an independent audit of the pension arrangements could be included within the wider audit work undertaken at Northamptonshire Police.</li> </ol>   | <p><b>Shaun Hallam</b><br/><b>Helen King</b></p> |
| 13/19 | <p><b><u>Northamptonshire Firefighters’ Pension Scheme(s) Draft Risk Register</u></b></p> <p>At the Chairman’s invitation, the Pensions Governance &amp; Regulations Manager Joanne Walton introduced this report (copies of which had been previously circulated) and highlighted the following:</p> <ul style="list-style-type: none"> <li>• The risk register was an important part of the system of internal control for the scheme;</li> <li>• A risk strategy had been approved by the Board in 2016 and a risk register had now been prepared and appended for the Board to consider;</li> <li>• It was made clear that the document belonged to the Fire and Rescue Service and the risks needed to be reviewed and rated accordingly.</li> </ul> <p>Action – SH to incorporate into strategic risk register review and report back to LGSS Pensions.</p> <p><b>RESOLVED that: the Local Pension Board:</b></p> <ol style="list-style-type: none"> <li>1) Approved the risks identified on the Draft Northamptonshire Firefighters’ Pension(s) Scheme Risk Register; and</li> <li>2) Agreed to consult with the Scheme Manager as to the appropriate risk ratings to be allocated.</li> </ol> | <p><b>Shaun Hallam</b></p>                       |
| 14/19 | <p><b><u>Local Pension Board Work Plan</u></b></p> <p>At the Chairman’s invitation, the Pensions Governance &amp; Regulations Manager Joanne Walton introduced this report (copies of which had been previously circulated) and highlighted the following:</p> <ul style="list-style-type: none"> <li>• A work programme was required that would provide some justification for the proposed number of meetings per year;</li> <li>• The Board was advised that this should not be driven exclusively by the external administrators as their focus was restricted to administration and governance;</li> <li>• The Board were invited to consider whether there should be delegated responsibilities set out for the</li> </ul>  |  |

|       |  |   |
|-------|--|---|
|       | <p>Scheme Manager and, if so, who should own them</p> <p>Board members made the following points:</p> <ul style="list-style-type: none"> <li>• The role of the Board in setting the work programme was acknowledged;</li> <li>• It was agreed that injury and ill health retirement reviews should be taking place; and</li> <li>• It was suggested that other schemes would have similar work plans and these should be reviewed to establish best practice</li> </ul> <p><b>RESOLVED that: the Local Pension Board:</b></p> <ol style="list-style-type: none"> <li>1) <b>Noted the report;</b></li> <li>2) <b>Agreed that the Chair would contact Claire Alcock with a view to establishing Work Programme best practice; and</b></li> <li>3) <b>Agreed that a draft work programme be developed and shared with the Board.</b></li> </ol> | <p><b>Jim Dorrill</b></p> <p><b>Joanne Walton</b></p> |
| 15/19 | <p><b><u>Northamptonshire Firefighters' Pension Scheme Local Pension Board Annual Report 2018-19:</u></b></p> <p>At the Chairman's invitation, the Democratic Services Manager Paul Hanson introduced this report (copies of which had been previously circulated) and advised the Board that the draft report would be updated following this meeting.</p> <p><b>RESOLVED that: The Local Pension Board agreed the annual report, subject to delegating authority to the Chair to approve any updates required following this meeting.</b></p>  | <p><b>Paul Hanson</b></p>                             |
| 08/19 | <p><b><u>Date and Time of Next Meeting:</u></b></p> <p>Monday 9 March 2020.</p>  | <p><b>Jenny Daniels</b></p>                           |

There being no further business the meeting closed at 3.05pm.

Paul Hanson, Democratic Services Manager

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**NORTHAMPTONSHIRE  
FIREFIGHTERS'  
PENSION SCHEMES**



**LOCAL PENSION BOARD**

**9 March 2020**

**Report by: THE HEAD OF LGSS PENSIONS**

|                              |   |
|------------------------------|---|
| <b>Subject:</b>              | <b>Firefighters' Pension Scheme(s) Administration</b>   |
| <b>Purpose of the Report</b> | To present members of the Local Pension Board with information on the administration of the Firefighters' Pension Scheme(s) by LGSS Pensions                        |
| <b>Recommendations</b>       | <b>That the Local Pension Board notes the content of the report and considers the recommendation in section 3.3 of this report. .</b>                               |
| <b>Enquiries to:</b>         | Name: Jo Walton – LGSS Pensions, Governance and Regulations Manager<br>E-mail: <a href="mailto:jwalton@northamptonshire.gov.uk">jwalton@northamptonshire.gov.uk</a> |

**1. Background**

1.1 One of the core functions of the Local Pension Board is to ensure the effective and efficient governance and administration of the Scheme. This report demonstrates a number of key areas of administration performance for consideration by the Local Pension Board.

**2. Administration Performance**

2.1 The following key performance indicators represent the regular casework activities that are undertaken by LGSS Pensions in the administration of the Firefighters' Pension Schemes.

- Notify employees retiring from active membership of benefits award
- Notify leavers of deferred benefit entitlement
- Provide transfer in quote to scheme member
- Confirm transfer in payment and benefits credited to scheme member
- Provide a cash equivalent transfer value
- Process transfer out and issue CETV statement
- Provide a divorce quotation
- Obtain details of beneficiaries after advice of death
- Provide an estimate of benefits
- Calculate cost of purchasing additional pension and notify scheme member

2.2 All of the key performance indicators have a target of 10 working days for completion.

2.3 For the months August 2019 to January 2020 all targets were achieved with the exception of one, to provide an estimate of benefits within 10 working days of receipt of all necessary information where 1 case fell outside of the target. Further details can be found in appendix one to this report. The months where there are no statistics represent no activity in the particular area of measured casework.

### 3. Data Improvement

3.1 At the March 2019 meeting, the Data Improvement Policy and Plan was presented to and approved by the Local Pension Board. To follow are details of how the quality of data has improved and activities that should be undertaken to improve it further.

#### 3.2 Data Quality Scores 2019

3.2.1 The Pensions Regulator regularly enquires as to the quality of the data held via the statutory annual return issued each autumn which requires, amongst other information, a presence and accuracy score of the common data (data used to identify the member) and scheme-specific data (data used to calculate entitlement) held.

3.2.2 In the 2018 statutory annual return to the Pensions Regulator the data score reported was as detailed in the table below.

| <b>Scheme</b> | <b>Common Data Score</b> | <b>Scheme Specific Data Score</b> |
|---------------|--------------------------|-----------------------------------|
| 1992          | 69.8%                    | 73.8%                             |
| 2006          | 80.7%                    | 75.4%                             |
| 2015          | 78.4%                    | 95%                               |

3.2.3 The Pensions Regulator issued the statutory annual return in November 2019 and the following improved data quality scores were reported.

| <b>Scheme</b> | <b>Common Data Score</b> | <b>Scheme Specific Data Score</b> |
|---------------|--------------------------|-----------------------------------|
| 1992          | 86%                      | 78%                               |
| 2006          | 90%                      | 91%                               |
| 2015          | 94%                      | 98%                               |

#### 3.3 Contracting-out reconciliation and rectification

3.3.1 It has been reported at previous meetings of the Local Pension Board that LGSS Pensions were undertaking the exercise to reconcile contracted-out details held on pensions administration records compared with that held by HMRC.

3.3.2 All UK pension schemes that were contracted out of the state second pension were advised to reconcile their individual member records with that held by Her Majesty's Revenue and Customs (HMRC) by 31 December 2018 to ensure that schemes hold the correct period and amount of contracting-out liability.

3.3.3 The reconciliation project was outsourced to ITM Limited (an external data audit company) and the progress on the reconciliation is reported below.

- 3.3.4 HMRC were due to release a final file of data which would also contain all the answers to the queries raised by ITM Limited during the reconciliation stage by 31 December 2019. Unfortunately the files have not been issued to any pension scheme due to HMRC having not fully reconciled their data relating to payments made to them in respect of members who need to be reinstated back into the state pension scheme due to having left their pension scheme with insufficient membership to qualify for a retirement benefit.
- 3.3.5 HMRC have been unable to confirm when the final data files will be released. The Local Pension Board and the Scheme Manager will be kept up to date with progress in this area.

### 3.4 Member addresses

- 3.4.1 At the March 2019 and September 2019 meeting of the Local Pension Board the matter of undertaking a formal exercise with a tracing company to confirm the correct address is held on member's records and whether members are deceased and this has not been notified.
- 3.4.2 At the September 2019 meeting it was advised that it would be the recommendation of LGSS Pensions that there would be little value in undertaking this exercise with a tracing company on all scheme members based on the experience and associated costs incurred when LGSS Pensions have undertaken this exercise for the Local Government Pension Schemes administered.
- 3.4.3 It was recommended that in order to comply with the General Data Protection Regulations by only holding up to date information that LGSS Pensions should send proof of existence certificates for completion and return to all members of the Firefighters' Pension Schemes. Active members would be excluded from this exercise as it would be expected that the employer would keep LGSS Pensions informed of any changes to personal details.
- 3.4.4 Where proof of existence forms are not returned the following action should be taken:

|                   |   |
|-------------------|---|
| Deferred members  | These members should be referred to the Department of Work and Pensions to obtain a new address or confirmation that the member is deceased   |
| Pensioner members | These members should have their pensions suspended from payment and to obtain a new address or confirmation that the member is deceased (in line with the Anti-Fraud and Corruption Policy that was approved at the March 2019 meeting of the Local Pension Board). Pensions will be reinstated and backdated when contact details are established. |

- 3.4.5 Approximately 25 deferred member's records have no current address available. It is recommended that these members are traced via the Department of Work and Pensions.
- 3.4.6 The Local Pension Board in conjunction with the Scheme Manager are asked to discuss how they would like to proceed. Associated costs of LGSS Pensions conducting this exercise will be provided on request.

#### 4. Finance & Resources Implications

- 4.1 Costs associated with the data improvement activities detailed within this report will be discussed and agreed with the Scheme Manager.

#### 5. Risk Implications

a) Risk(s) associated with the proposal

| Risk   | Mitigation | Residual Risk |
|--|------------|---------------|
| There are no risks associated with ensuring that records held on members of the Firefighters' Pension Schemes are accurate | N/A        | Green         |

b) Risk(s) associated with not undertaking the proposal

| Risk   | Risk Rating |
|--|-------------|
| Failure to ensure the records held on members of the Firefighters' Pension Scheme are accurate would be a breach of the law. | Red         |

#### 6. Communication implications

- 6.1 There are no implications to be considered.

#### 7. Legal Implications

- 7.1 There are no implications to be considered.

#### 8. Consultation with Key Advisers

- 8.1 LGSS Pensions have consulted with ITM Limited regarding the contracting-out reconciliation.

#### 9. Alternative Options Considered

- 9.1 There are no alternative options to be considered.

#### 10. Background Papers

- 10.1 Not applicable

#### 11. Appendices

### Appendix 1 – Firefighters' Pension Scheme Administration Performance Monitoring

| Checklist of Key Approvals                        |                          |
|---|--------------------------|
| Has this report been cleared by Head of Pensions? | Mark Whitby – 18/02/2020 |

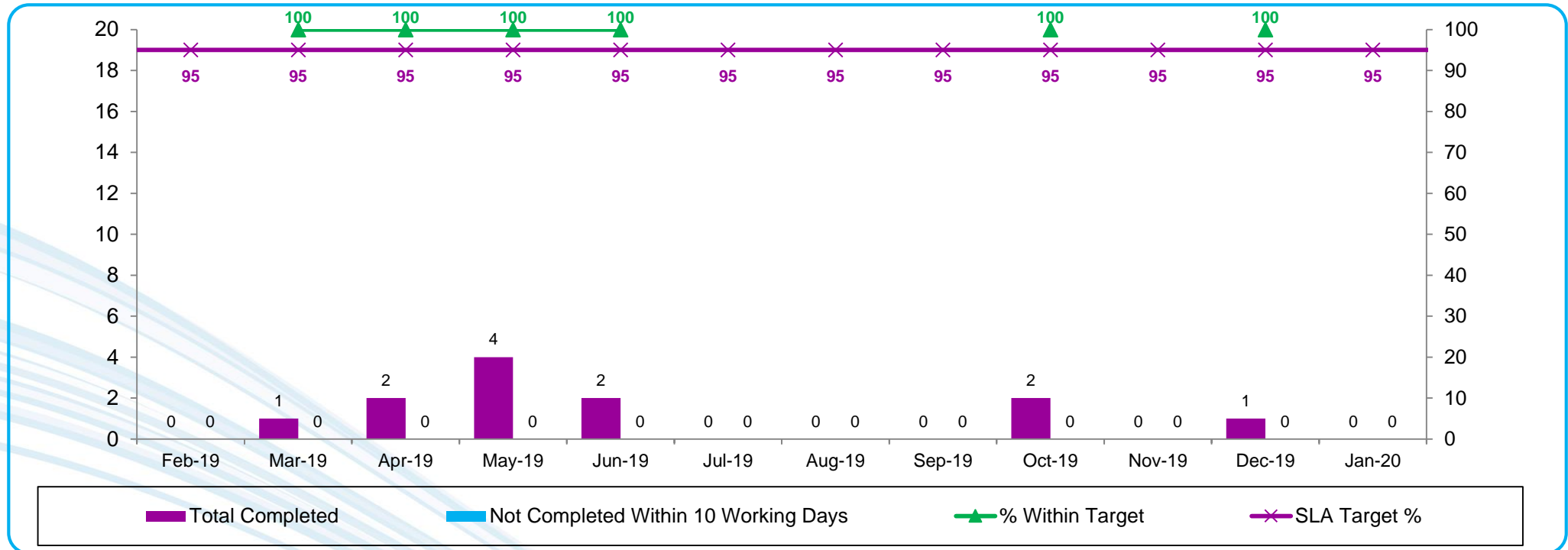


# **Northamptonshire Fire and Rescue Service Performance Monitoring January 2020**

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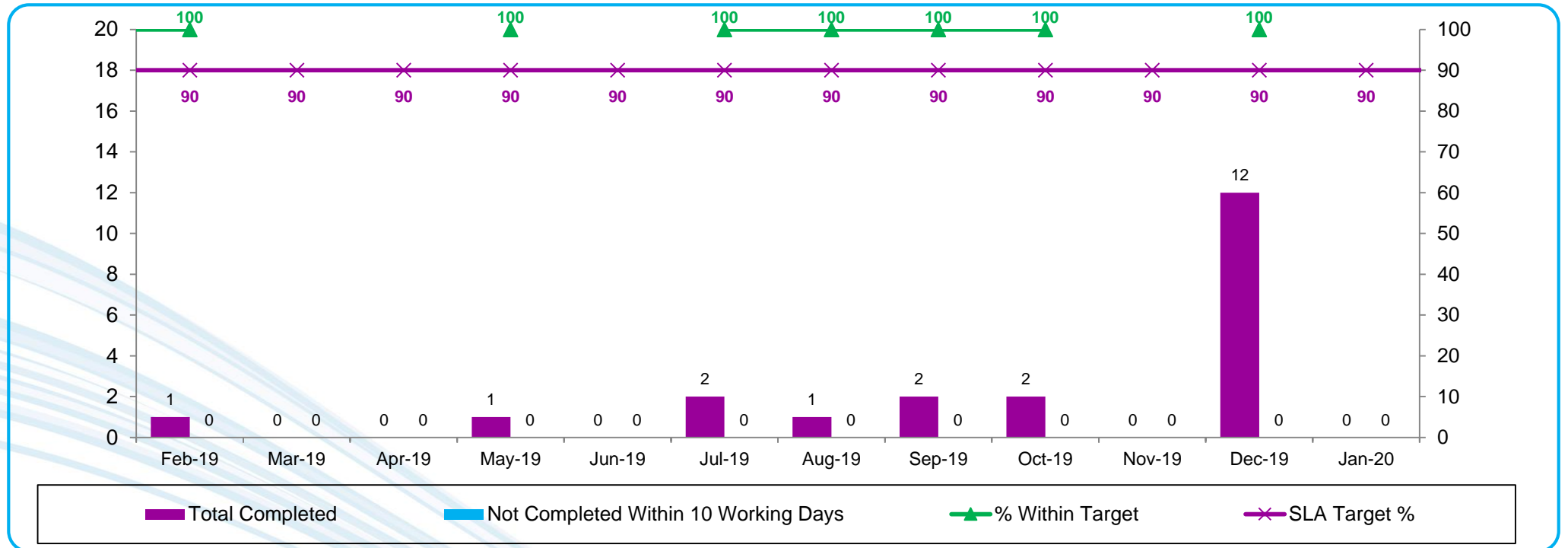
| No  | Contents  | Slide |
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### SLA Target - Notify employees retiring from active membership of benefits award



- This chart shows the number of cases and time period for notifying employees retiring from active membership of benefits award, from date of receiving all necessary information, based on the SLA target.

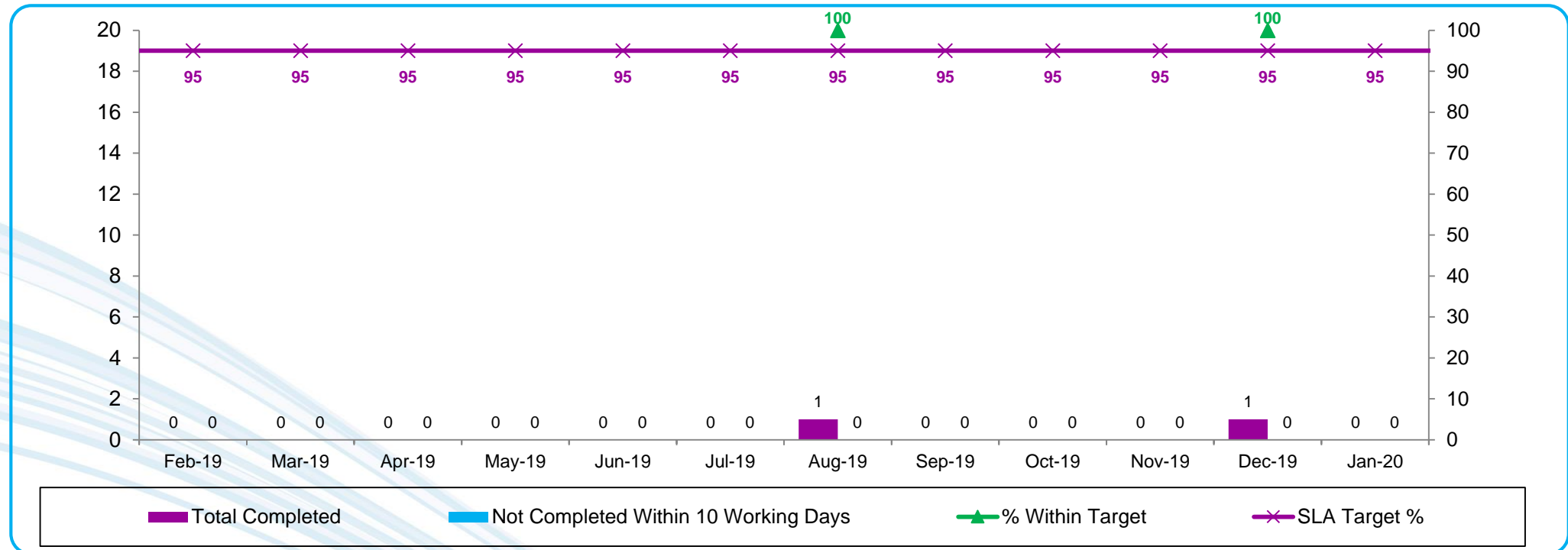
### SLA Target - Notify leavers of deferred benefit entitlement



- This chart shows the number of cases and time period for notifying leavers of deferred benefit entitlement from receipt of all information, based on the SLA target.

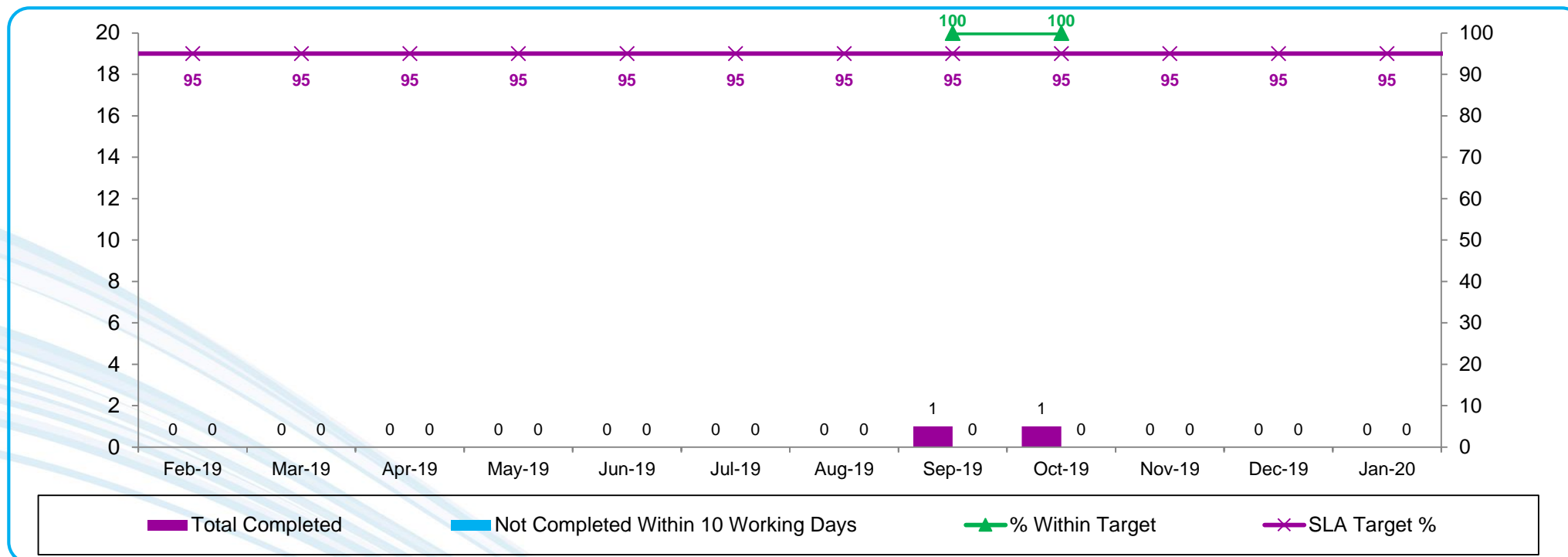


## SLA Target – Provide transfer in quote to scheme member



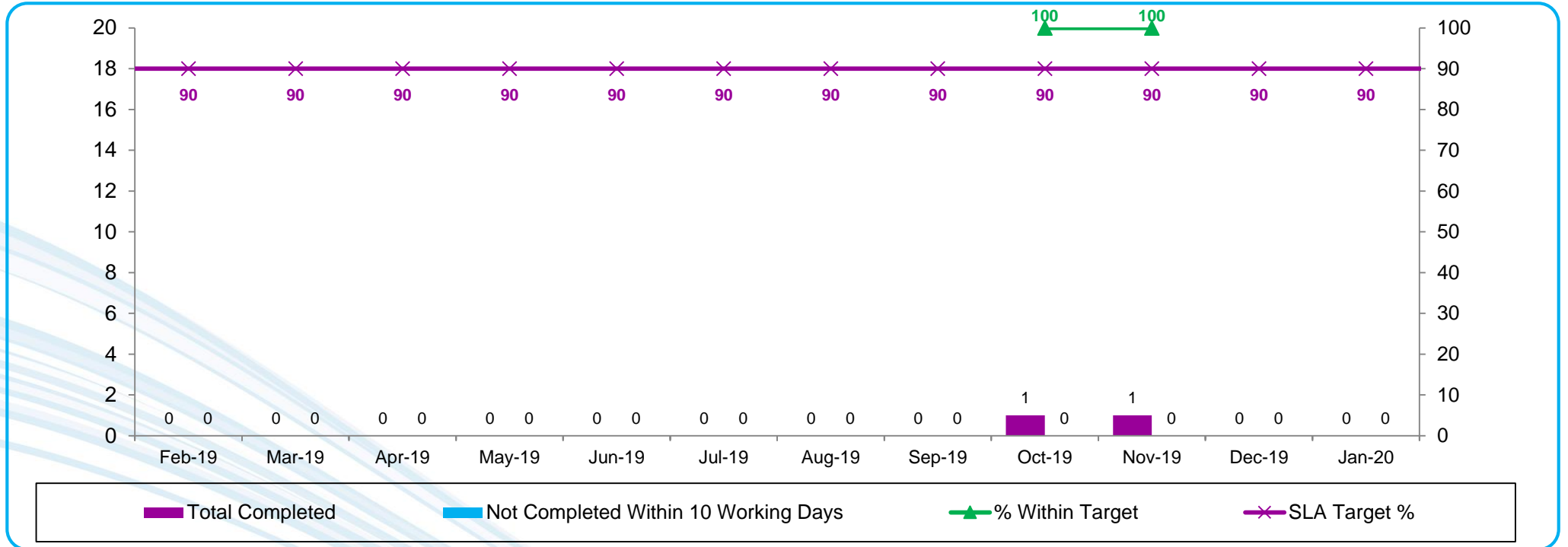
- This chart shows the number of cases and time period for issuing a transfer-in quote letter from receipt of all appropriate information, based on the SLA target.

## SLA Target – Confirm transfer in payment and benefits credited to scheme member



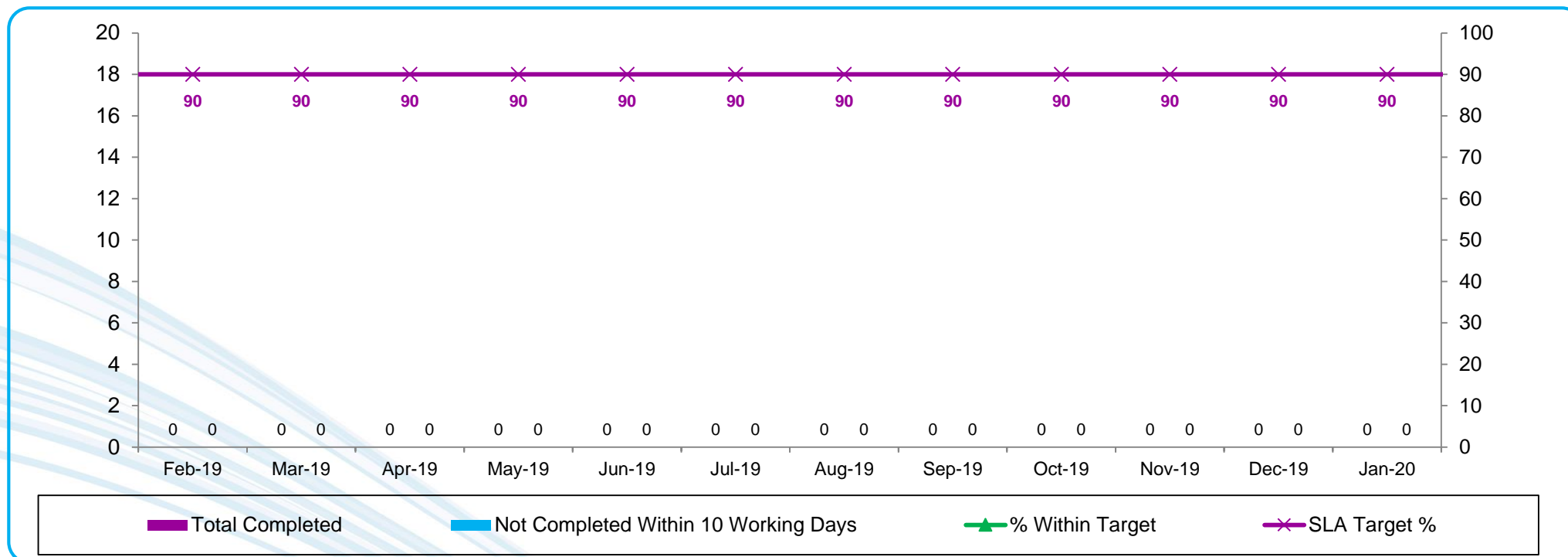
- This chart shows the number of cases and time period for confirming transfer in payment and benefits credited from receipt of all appropriate information, based on the SLA target.

### SLA Target – Provide a cash equivalent transfer value – CETV



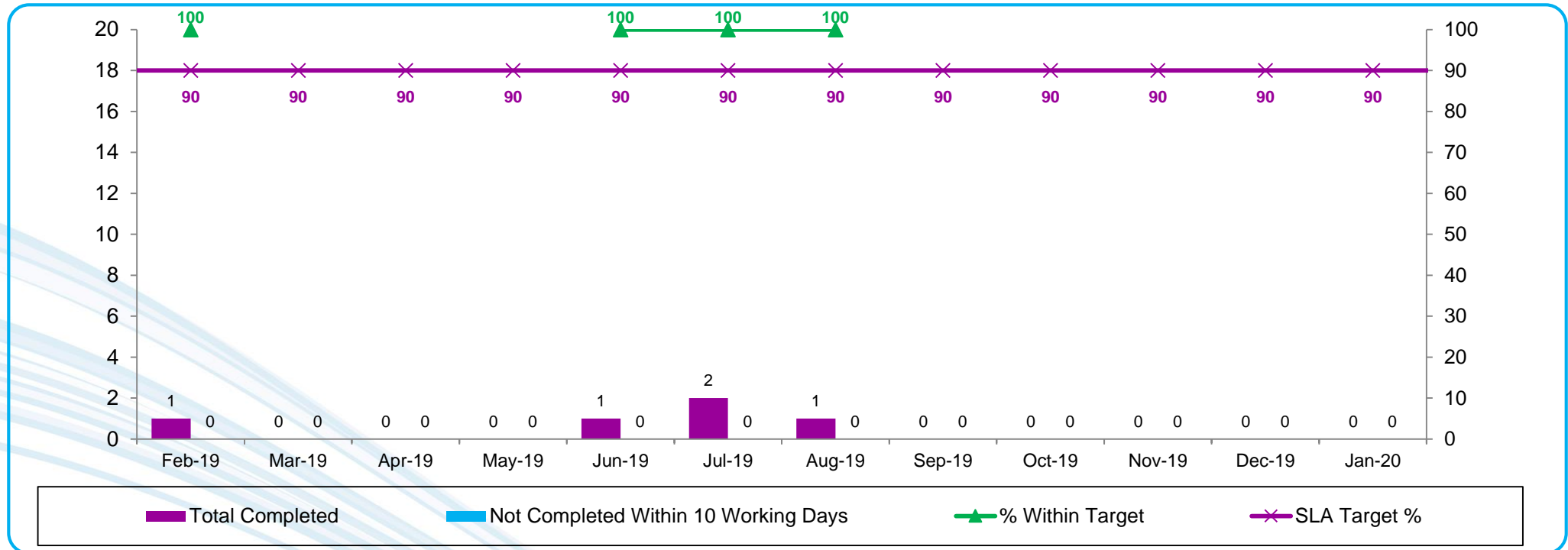
- This chart shows the number of cases and time period for issuing a CETV from receipt of all appropriate information, based on the SLA target.

## SLA Target – Process transfer out and issue CETV statement



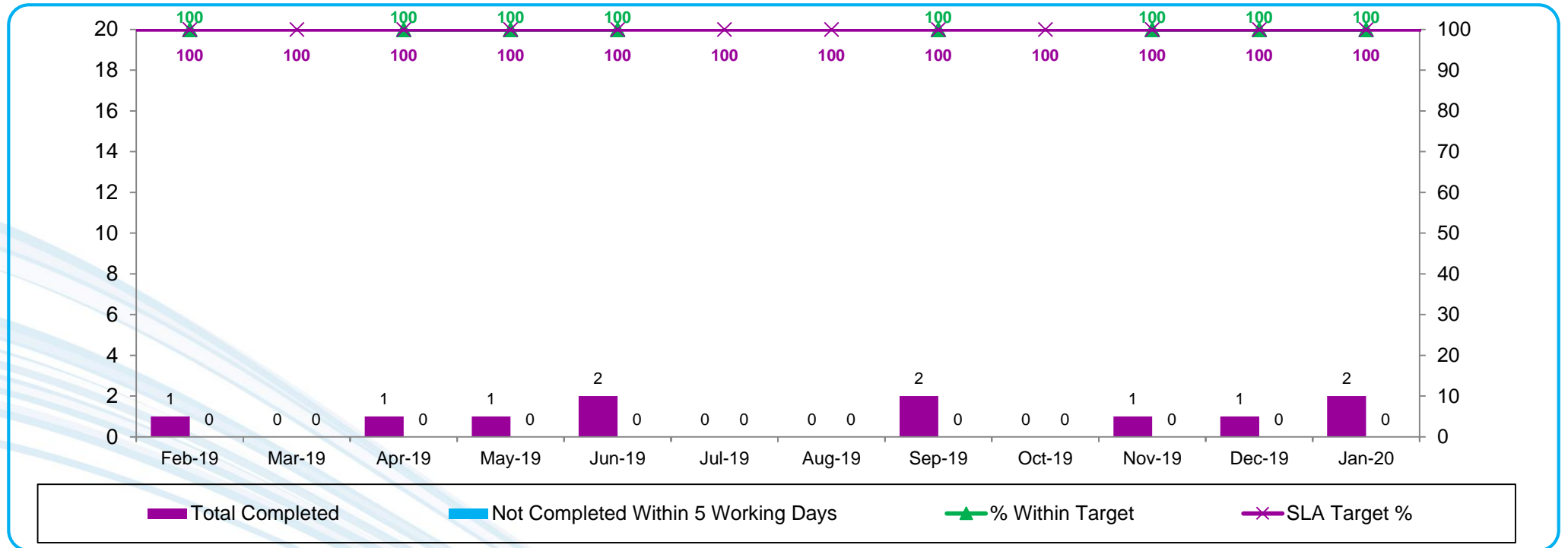
- This chart shows the number of cases and time period for processing transfer out payments from the receipt of all information needed to calculate the CETV, based on the SLA target.

### SLA Target – Provide a divorce quotation



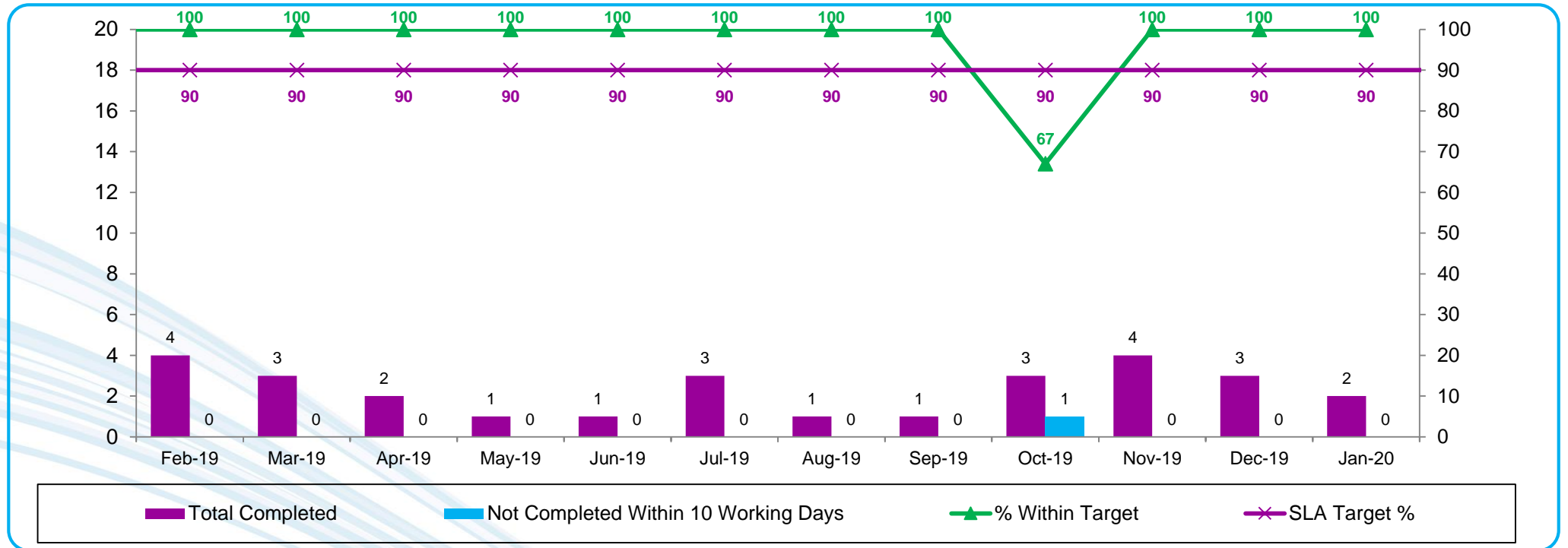
- This chart shows the number of cases and time period for providing a divorce quotation from receipt of all information, based on the SLA target.

### SLA Target – Obtain details of beneficiaries after advice of death



- This chart shows the number of cases and time period for obtaining details of beneficiaries, based on the SLA target.

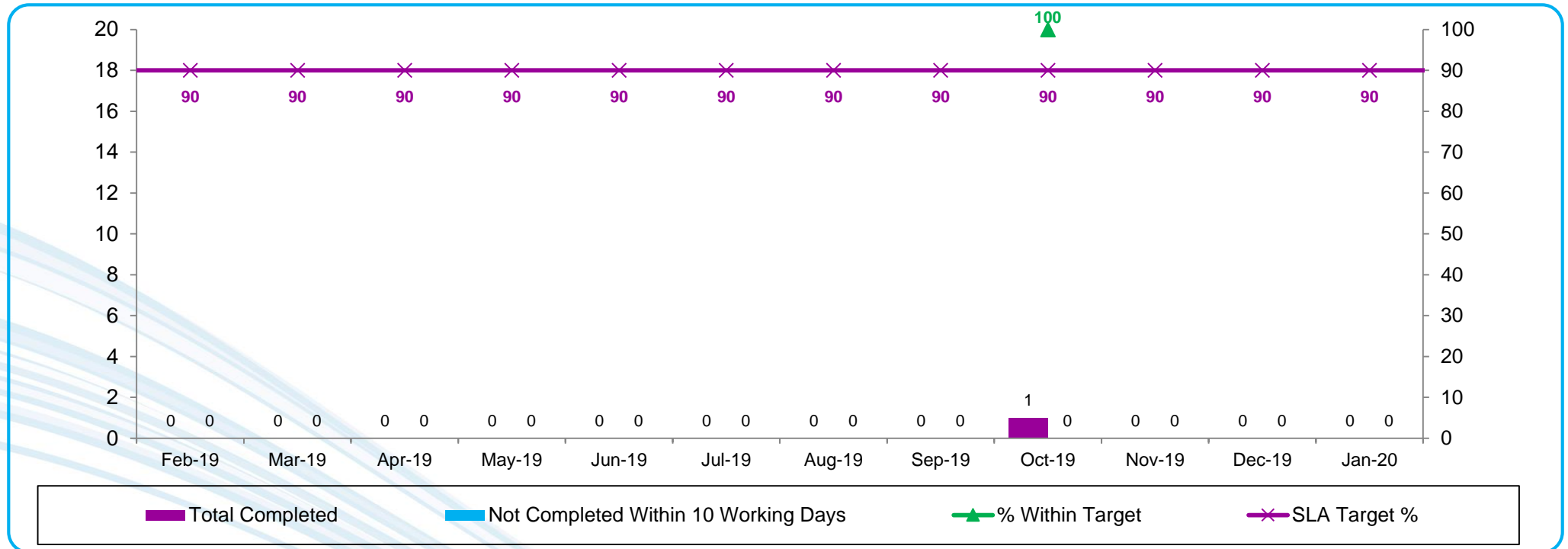
### SLA Target – Provide an estimate of benefits



- This chart shows the number of cases and time period for issuing an estimate of benefits from receipt of all appropriate information, based on the SLA target.



### SLA Target – Calculate cost of purchasing additional pension and notify scheme member



- This chart shows the number of cases and time period for notifying member of cost of buying additional pension from receipt of request, based on the SLA target.



**NORTHAMPTONSHIRE  
FIREFIGHTERS’  
PENSION SCHEMES**



**LOCAL PENSION BOARD**

**9 March 2020**

**Report by: THE LGSS HEAD OF PENSIONS**

|                              |   |
|------------------------------|---|
| <b>Subject:</b>              | <b>Compliance with the Pensions Regulator’s Code of Practice</b>  |
| <b>Purpose of the Report</b> | <a href="#">To present to the Local Pension Board areas of non-compliance with the Pensions Regulator’s code of practice on the governance and administration of public service pension schemes</a> |
| <b>Recommendations</b>       | <b>The Local Pension Board is asked to note the report and propose a timescale for responding to areas of partial or non-compliance.</b>  |
| <b>Enquiries to:</b>         | Name: Jo Walton – Governance and Regulations Manager<br>E-mail: <a href="mailto:jwalton@northamptonshire.gov.uk">jwalton@northamptonshire.gov.uk</a>  |

**1. Background**

- 1.1 Following the introduction of the Public Service Pension Act 2013, with effect from 1 April 2015 the Pensions Regulator became responsible for regulating the governance and administration of public service pension schemes and issued a code of practice for schemes to follow.
- 1.2 The code of practice sets out the legal requirements and provides practical guidance and standards that the Pensions Regulator expects of those in charge of the governance and administration of public service pension schemes.
- 1.3 The Pensions Regulator would regard the Scheme Manager, members of the Local Pension Board and the pension administrators (LGSS Pensions) as those who are responsible for ensuring compliance with the code of practice.
- 1.4 At the Local Pension Board meeting of 10 March 2016 a report on the extent to which compliance with the Pensions Regulator’s code of practice had been achieved was presented for consideration.
- 1.5 In addition, since 2015, the Pensions Regulator has issued a voluntary survey to all public service pension schemes with a view to gaining an understanding of the level of compliance with the code of practice and what issues are preventing full compliance. Each year LGSS Pensions has provided a response to the survey in conjunction with the Chairman and Scheme Manager. The results of the 2018 survey were reported to the Local Pension Board at the September 2019 meeting.
- 1.6 The purpose of this report is to identify the remaining items of partial and non-compliant items with a view to producing a plan to achieve full compliance.

## 2. Extent of compliance with the Pensions Regulator’s code of practice

2.1 The aspects of the Pensions Regulator’s code of practice in respect of the Northamptonshire Firefighters’ Pension Schemes where full compliance has been achieved are:

- Establish a Local Pension Board;
- Production of a policy to help members of the Local Pension Board acquire and retain knowledge;
- Production of a policy and procedures for dealing with conflicts of interests on the Local Pension Board;
- Establish procedures for publishing information about the Local Pension Board;
- Establish procedures for identifying and assessing law breaches; and
- Carry out regular data cleansing (and have in place a data improvement plan).

2.2 The remaining areas of the Pensions Regulator’s code of practice where full compliance has yet to be achieved is:

- Establish procedures for assessing and managing risk; including a risk register and actively reviewing risks at least once a quarter and
- The Local Pension Board to meet at least 4 times a year.

## 3. Actions required to achieve compliance

3.1 The Local Pension Board are scheduled to consider the draft risk register at this meeting. Should it be agreed that the draft risk register is fit for purpose then it should be published and reviewed on a regular basis. It is the recommendation of LGSS Pensions that the risk register is reviewed at every meeting of the Local Pension Board.

3.2 Whilst there is no statutory requirement for the number of meetings that the Local Pension Board should hold each year there is a strong industry recommendation that it should be greater than twice and that 4 meetings are considered best practice. The Local Pension Board should consider the frequency that it meets in order to deliver best practice.

## 4. Finance & Resources Implications

4.1 Any costs associated with the actions required to achieve full compliance with the Pensions Regulator’s code of practice will be agreed between Northamptonshire Fire and Rescue Service and the LGSS Pensions.

## 5. Risk Implications

a) Risk(s) associated with the proposal

| <b>Risk</b>  | <b>Mitigation</b> | <b>Residual Risk</b> |
|--|-------------------|----------------------|
| There are no risks associated with the plans to achieve full compliance with the requirements of the Pensions Regulator’s code of practice and the requirements of the Scheme Advisory Board, Public Service Pension Act 2013 and the Pensions Act 1995. | N/A               | N/A                  |

b) Risk(s) associated with not undertaking the proposal

| <b>Risk</b>   | <b>Risk Rating</b> |
|---|--------------------|
| Failing to comply with the requirements of the Pensions Regulator, Scheme Advisory Board and Public Service Pension Act 2013 may result in the Pensions Regulator taking action to improve standards. | Red                |

## **6. Communication Implications**

|                  |   |
|------------------|---|
| <b>Induction</b> | All new Local Pension Board members are provided with a copy of the Pensions Regulator's code of practice and associated policies belonging to the Local Pension Board. |
| <b>Website</b>   | All policies will be made available under the Firefighters' Pension Scheme section of the LGSS Pensions Service website.  |

## **7. Legal Implications**

7.1 Failing to comply with the Public Service Pension Act 2013 and the Pensions Act 1995 would be regarded as a breach of the law, reportable to the Pensions Regulator.

## **8. Consultation with Key Advisers**

8.1 Not applicable for this report.

## **9. Alternative Options Considered**

9.1 There are no alternative options to be considered.

## **10. Background Papers**

10.1 The Pensions Regulator Code of Practice

<http://www.thepensionsregulator.gov.uk/codes/code-governance-administration-public-service-pension-schemes.aspx>

## **11. Appendices**

N/A

| <b>Checklist of Key Approvals</b>                 |                          |
|---|--------------------------|
| Has this report been cleared by Head of Pensions? | Mark Whitby – 18/02/2020 |

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**NORTHAMPTONSHIRE  
FIREFIGHTERS' PENSION  
SCHEME**



**LOCAL PENSION BOARD**

**9 March 2020**

**Report by: THE HEAD OF LGSS PENSIONS**

|                              |   |
|------------------------------|---|
| <b>Subject:</b>              | <b>Northamptonshire Firefighters' Pension Scheme(s) Draft Risk Register</b>   |
| <b>Purpose of the Report</b> | <a href="#">To present the Northamptonshire Firefighters' Pension Scheme(s) Draft Risk Register to the members of the Local Pension Board</a>   |
| <b>Recommendations</b>       | <b>The Local Pension Board are asked to</b><br><b>1) Approve the risks identified on the Draft Northamptonshire Firefighters' Pension(s) Scheme Risk Register; and</b><br><b>2) Confirm agreement that the risk ratings are appropriate (4.1)</b> |
| <b>Enquiries to:</b>         | Name – Joanne Walton – LGSS Pensions Governance and Regulations Manager<br>E-mail – <a href="mailto:jwalton@northamptonshire.gov.uk">jwalton@northamptonshire.gov.uk</a>  |

**1. Background**

1.1 Good governance ensures that there is an appropriate Risk Register in place supported by an appropriate Risk Strategy outlining the approach to managing risk

**2. The Pensions Regulator's Requirements**

2.1 The Public Service Pensions Act 2013 added an additional provision to the Pensions Act 2004 relating to the requirements to have internal controls in public service pension schemes. The Pensions Regulator's code of practice guidance on internal controls requires schemes managers to carry out a risk assessment and produce a risk register which should be reviewed regularly.

**3. The Risk Strategy**

3.1 In November 2016 the Risk Strategy was approved by the Local Pension Board and from this a risk register needed to be established. The strategy and risk register should be read in conjunction with each other as the strategy sets out the principles of risk management and how the risks are profiled. This profiling is undertaken by using the impact and likeliness tables to determine the gross and residual likelihood and impact on the authority once mitigations are in place.

#### 4. The Northamptonshire Firefighters Pension Scheme(s) Risk Register

- 4.1 LGSS Pensions presented a risk register to the Local Pension Board at the meeting of November 2017 and September 2019 with a view for the members of the Local Pension Board to agree whether the suggested risk scoring matrix and impact descriptors in the agreed Risk Strategy (appendix 1) remains appropriate, allowing members of the Local Pension Board in conjunction with the Scheme Manager to finalise the risk register.
- 4.2 The proposed risk register as previously presented has now been updated by Local Pension Board member, Shaun Hallam to include risk ratings and can be found in appendix 2 and consists of risks to all parties that are responsible for the administration of the Firefighters' Pension Schemes and the operation of the Local Pension Board. The risk register has been produced using The Pension Regulator's template.
- 4.3 The risk register identifies where a risk belongs to and is in control of by the Scheme Manager, and asks that the Scheme Manager insert details of the relevant tests and controls that they would like to be in place. An example of this type of risk is under the category of administration process failure/maladministration with the control being to have a formal agreement in place with LGSS Pensions, including a Service Level Agreement.

#### 5. Next Steps

- 5.1 Once the risks and associated scores have been agreed, the register should be presented for review at every meeting of the Local Pension Board.

#### 6. Finance & Resources Implications

- 6.1 There are no financial and resource implications associated with this risk register.

#### 7. Risk Implications

##### a) Risk(s) associated with the proposal

| <b>Risk</b> | <b>Mitigation</b>  | <b>Residual Risk</b> |
|-------------|--|----------------------|
| None        | A risk register highlights areas of concern and allows for appropriate mitigations to be put in place. | Green                |

##### b) Risk(s) associated with not undertaking the proposal

| <b>Risk</b>   | <b>Risk Rating</b> |
|---|--------------------|
| If risks are not monitored the authority will not demonstrate that it has appropriate control over the management of the risks it faces | Red                |

#### 8. Communication Implications

|                |  |
|----------------|--|
| <b>Website</b> | The risk register and strategy will be uploaded to the Firefighters' Pension Scheme pages of the LGSS Pensions website once finalised. |
|----------------|--|

**9. Legal Implications**

9.1 Not applicable

**10. Consultation with Key Advisers**

10.1 Not applicable.

**11. Alternative Options Considered**

11.1 Not applicable

**12. Background Papers**

12.1 Not applicable

**13. Appendices**

**Appendix 1 – Risk Strategy**

**Appendix 2 – Draft Risk Register**

| <b>Checklist of Key Approvals</b>                 |                          |
|---|--------------------------|
| Has this report been cleared by Head of Pensions? | Mark Whitby – 18/02/2020 |

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# Risk Strategy 2016

## 1. Introduction

1.1 This is the Risk Strategy of the Northamptonshire Fire and Rescue Service Local Pension Board managed by Northamptonshire County Council (the Scheme Manager). The Risk Strategy details the approach to managing risk including:

- the risk philosophy for the management, and in particular attitudes to, and appetite for, risk
- how risk management is implemented
- risk management responsibilities
- the procedures that are adopted in the risk management process
- the key internal controls operated by the Scheme Manager and other parties responsible for the management.

## 2. Strategy objectives

2.1 In relation to understanding and monitoring risk, the Scheme Manager aims to:

- integrate risk management into the culture and day-to-day activities;
- raise awareness of the need for risk management by all those connected with the management of the Fire Authority;
- anticipate and respond positively to change;
- minimise the probability of negative outcomes for the Fire Authority and its stakeholders;
- establish and maintain a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice;
- ensure consistent application of the risk management methodology across all activities, including projects and partnerships.

2.2 To assist in achieving these objectives with the management of the Fire Authority the Scheme Manager will aim to comply with the Pensions Act 2004 and the Pensions Regulator's Code of Practice for Public Service Pension Schemes as they relate to managing risk.

## 3. Purpose of the strategy

3.1 The Scheme Manager recognises that effective risk management is an essential element of good governance. By identifying and managing risks through an effective policy and risk management strategy, the Scheme Manager can:

- demonstrate best practice in governance
- improve financial management
- minimise the risk and effect of adverse conditions
- identify and maximise opportunities that might arise
- minimise threats

3.2 The Scheme Manager adopts best practice risk management, which supports a structured and focused approach to managing risks, and ensures risk management is an integral part in the governance of the Authority at a strategic and operational level.

#### 4. Effective date

4.1 This policy was approved by the Northamptonshire Fire and Rescue Service Local Pension Board on 16 November 2016 and is effective from 17 November 2016.

#### 5. Review

5.1 It will be formally reviewed and updated at least every three years or sooner if the risk management arrangements or other matters included within it merit reconsideration.

#### 6. Scope

6.1 This Risk Strategy applies to all members of the Northamptonshire Fire and Rescue Service Pension Local Board.

#### 7. Risk Management Philosophy

7.1 The Scheme Manager recognises that it is not possible or even desirable to eliminate all risks. Accepting and actively managing risk is therefore a key part of the risk management strategy. A key determinant in selecting the action to be taken in relation to any risk will be its potential impact on the Authorities objectives in the light of the Scheme Managers risk appetite. Equally important is striking a balance between the cost of risk control actions against the possible effect of the risk occurring.

7.2 In managing risk, the Scheme Manager will:

- ensure that there is a proper balance between risk taking and the opportunities to be gained
- adopt a system that will enable the Authority to anticipate and respond positively to change
- minimise loss and damage to the Authority and to other stakeholders who are dependent on the benefits and services provided
- make sure that any new areas of activity are only undertaken if the risks they present are fully understood and taken into account in making decisions.

7.3 The Scheme Manager also recognises that risk management is not an end in itself; nor will it remove risk from the Authority. However it is a sound management technique that is an essential part of the Scheme Manager stewardship of the Authority. The benefits of a sound risk management approach include better decision-making, improved performance and delivery of services, more effective use of resources and the protection of reputation.

#### 8. The Pensions Regulator's Requirements

8.1 The Pension Regulator's Code of Practice

The Public Service Pensions Act 2013 added the following provision to the Pensions Act 2004 relating to the requirement to have internal controls in public service pension schemes.

***"249B Requirement for internal controls: public service pension schemes***

*(1) The scheme manager of a public service pension scheme must establish and operate internal controls which are adequate for the purpose of securing that the scheme is administered and managed—*

*(a) in accordance with the scheme rules, and*

*(b) in accordance with the requirements of the law.*

*(2) Nothing in this section affects any other obligations of the scheme manager to establish or operate internal controls, whether imposed by or by virtue of any enactment, the scheme rules or otherwise.*

*(3) In this section, “enactment” and “internal controls” have the same meanings as in section 249A.”*

Section 90A of the Pensions Act 2004 requires the Pensions Regulator to issue a code of practice relating to internal controls. The Pensions Regulator has issued such a code in which he encourages scheme managers to employ a risk based approach to assessing the adequacy of their internal controls and to ensure that sufficient time and attention is spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls.

The Pensions Regulator’s code of practice guidance on internal controls requires scheme managers to carry out a risk assessment and produce a risk register which should be reviewed regularly. The risk assessment should begin by:

- setting the objectives of the scheme
- determining the various functions and activities carried out in the running of the scheme, and
- identifying the main risks associated with those objectives, functions and activities.

The code of practice goes on to say that schemes should consider the likelihood of risks arising and the effect if they do arise when determining the order of priority for managing risks, and focus on those areas where the impact and likelihood of a risk materialising is high. Schemes should then consider what internal controls are appropriate to mitigate the main risks they have identified and how best to monitor them. The code of practice includes the following examples as issues which schemes should consider when designing internal controls to manage risks:

- how the control is to be implemented and the skills of the person performing the control
- the level of reliance that can be placed on information technology solutions where processes are automated
- whether a control is capable of preventing future recurrence or merely detecting an event that has already happened
- the frequency and timeliness of a control process
- how the control will ensure that data are managed securely, and
- the process for flagging errors or control failures, and approval and authorisation controls.

The code states that risk assessment is a continual process and should take account of a changing environment and new and emerging risks. It further states that an effective risk assessment process will provide a mechanism to detect weaknesses at an early stage and that schemes should periodically review the adequacy of internal controls in:

- mitigating risks
- supporting longer-term strategic aims, for example relating to investments
- identifying success (or otherwise) in achieving agreed objectives, and
- providing a framework against which compliance with the scheme regulations and legislation can be monitored.

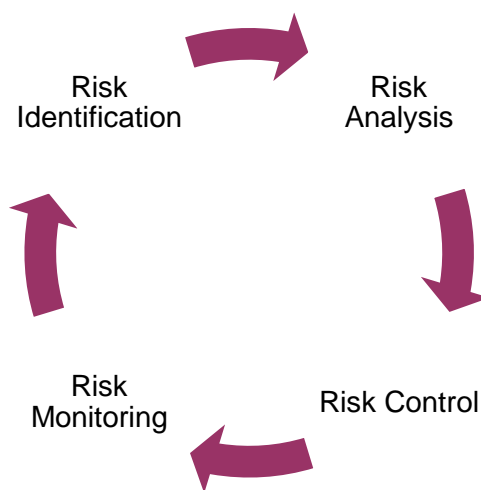
Under section 13 of the Pensions Act 2004, the Pensions Regulator can issue an improvement notice (i.e. a notice requiring steps to be taken to rectify a situation) where it is considered that the requirements relating to internal controls are not being adhered to.

## 9. Responsibility

9.1 The Scheme Manager must be satisfied that risks are appropriately managed. For this purpose, the Scheme Manager is responsible for ensuring the process outlined below is carried out, subject to the oversight of the Northamptonshire Fire and Rescue Service Local Pension Board.

## 10. The Northamptonshire Fire and Rescue Service Local Pension Board Risk Management Process

10.1 The risk management process is a continuous approach which systematically looks at risks surrounding the past, present and future activities. The main processes involved in risk management are identified in the figure below and detailed in the following sections.



### 10.2 Risk identification

The risk identification process is both a proactive and reactive one: looking forward i.e. horizon scanning for potential risks, and looking back, by learning lessons from reviewing how previous decisions and existing processes have manifested in risks to the organisation.

Risks are identified by a number of means including, but not limited to:

- formal risk assessment exercises overseen by the Local Pension Board
- performance measurement
- feedback from the local Pension Board and stakeholders

- liaison with other organisations, regional and national associations, professional groups, etc.

10.3 Once identified, risks will be documented on the risk register, which is the primary control document for the subsequent analysis, control and monitoring of those risks.

### 10.3 Risk analysis

Once potential risks have been identified, the next stage of the process is to analyse and profile each risk. Risks will be assessed by considering the likelihood of the risk occurring and the effect if it does occur, with the score for likelihood multiplied by the score for impact to determine the current overall risk rating, as illustrated in the table below.

|  |                    |                                     |            |            |          |                  |
|--|--------------------|-------------------------------------|------------|------------|----------|------------------|
| <b>Potential impact if risk occurred</b> | 5<br>Catastrophic  | 5                                   | 10         | 15         | 20       | 25               |
|  | 4<br>Major         | 4                                   | 8          | 12         | 16       | 20               |
|  | 3<br>Moderate      | 3                                   | 6          | 9          | 12       | 15               |
|  | 2<br>Minor         | 2                                   | 4          | 6          | 8        | 10               |
|  | 1<br>Insignificant | 1                                   | 2          | 3          | 4        | 5                |
|  |                    | 1 Rare                              | 2 Unlikely | 3 Possible | 4 Likely | 5 Almost certain |
|  |                    | <b>Likelihood of risk occurring</b> |            |            |          |                  |

When considering the risk rating, the Scheme Manager will have regard to the existing controls in place and these will be summarised on the risk register.

### 10.4 Risk control

The Scheme Manager will review the extent to which the identified risks are covered by existing internal controls and determine whether any further action is required to control the risk, including reducing the likelihood of a risk event occurring or reducing the severity of the consequences should it occur. The result of any change to the internal controls could result in any of the following:

- Risk elimination – for example, ceasing an activity or course of action that would give rise to the risk.
- Risk reduction – for example, choosing a course of action that has a lower probability of risk or putting in place procedures to manage risk when it arises.
- Risk transfer – for example, transferring the risk to another party either by insurance or through a contractual arrangement.

The risk register details all further action in relation to a risk and the owner for that action.

## 10.5 Risk monitoring

Risk monitoring is the final part of the risk management cycle and will be the responsibility of the Local Pension Board. In monitoring risk management activity, the Board will consider whether:

- the risk controls taken achieved the desired outcomes
- the procedures adopted and information gathered for undertaking the risk assessment were appropriate
- greater knowledge of the risk and potential outcomes would have improved the decision-making process in relation to that risk
- there are any lessons to be learned for the future assessment and management of risks.

## 11. Reporting and monitoring

11.1 Progress in managing risks will be monitored and recorded on the risk register. The risk register, including any changes to the internal controls, will be provided on an annual basis to the Local Pension Board.

The Local Pension Board will be provided with updates on an ongoing basis in relation to any significant changes to risks (for example where a risk has changed by a score of 3 or more) or new major risks (for example, scored 15 or more).

In order to identify whether the objectives of this policy are being met, the Scheme Manager will review the delivery of the requirements of this Strategy on an annual basis.

## 12. Key risks to the effective delivery

12.1 The key risks to the delivery of this Strategy are outlined below. The Scheme Manager will monitor these and other key risks and consider how to respond to them following updates and recommendations from officers.

- Risk management becomes mechanistic, is not embodied into the day to day management and consequently the objectives of the Policy are not delivered
- Changes in Local Pension Board membership and/or senior officers mean key risks are not identified due to lack of knowledge
- Insufficient resources are available to satisfactorily assess or take appropriate action in relation to identified risks
- Risks are incorrectly assessed due to a lack of knowledge or understanding, leading to inappropriate levels of risk being taken without proper controls
- Lack of engagement or awareness of external factors means key risks are not identified
- Conflicts of interest or other factors lead to a failure to identify or assess risks appropriately

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**Appendix 1 - Northamptonshire Fire Authority - Firefighters Pension Scheme Risk Register (template provided by The Pensions Regulator)**

| <b>Risk area 1 – Operations</b>                     | <b>Likelihood (1:low, 5: high)</b> | <b>Impact (1:low, 5: high)</b> | <b>Score (likelihood x impact)</b> | <b>Control</b>  | <b>Owner</b>           | <b>Test</b> | <b>Next review</b>      | <b>Comment</b>  |
|---|------------------------------------|--------------------------------|------------------------------------|---|------------------------|-------------|-------------------------|---|
| Operational disaster (fire/flood)                   | 3                                  | 2                              | 6                                  | Business continuity plans in place for the Pensions Service   | LGSS Pensions          |             | 9 / 03 2020             | Pension Board to review the pension’s service business continuity plans as part of contract review. |
|   |                                    |                                |                                    | Business continuity plans in place for scheme manager   | Scheme manager         |             |                         | NFRS Business Continuity Plans in place.  |
| Member data incomplete or inaccurate                | 2                                  | 2                              | 4                                  | Regular checks on data as detailed in the data improvement plan in order to comply with various sets of legislation on record keeping and data quality. | LGSS Pensions          |             | 9 / 03 2020             | Risk to be reviewed at each pension board meeting.  |
| Administration process failure/maladministration    | 1                                  | 2                              | 2                                  | Formal agreement in place with administrator, including SLAs  | Chief fire officer     |             | TBC (Next Meeting Date) | To be reviewed at SLA review meeting.   |
|   |                                    |                                |                                    | Authority levels clearly agreed and kept up to date   | Scheme manager         |             | 9 / 03 2020             |   |
| <b>Risk area 2 – Financial</b>                      |                                    |                                |                                    |   |                        |             |                         |   |
| Officers acting outside of delegated responsibility | 2                                  | 2                              | 4                                  | Regular reviews of policy and constitution  | Scheme manager         |             |                         | To be reviewed by scheme manager.   |
|   |                                    |                                |                                    | Appropriate approval measures in place  | LGSS Pensions          |             |                         |   |
| <b>Risk area 3 – Funding</b>                        |                                    |                                |                                    |   |                        |             |                         |   |
| Employer fails to deduct and pay-over               | 1                                  | 2                              | 2                                  | Monthly monitoring of contribution payments by payroll manager and  | LGSS Pensions / Scheme |             |                         | Linked to internal audit programme – payroll and improvement plan. To be                            |

|   |   |   |   |  |                     |  |             |  |
|---|---|---|---|--|---------------------|--|-------------|--|
| pension contributions                               |   |   |   | administrators   | manager             |  |             | reviewed by section 151 officer.   |
| <b>Risk area 4 – Regulatory and Compliance</b>      |   |   |   |  |                     |  |             |  |
| Failure to interpret rules or legislation correctly | 2 | 2 | 4 | Up to date and documented evidence of training for Local Pension Board members   | LGSS Pensions       |  | 9 / 03 2020 | Initial training for pension board members completed – to be continually reviewed.   |
|   |   |   |   | Regular training, technical advice and updates                                   | LGSS Pensions       |  | 9 / 03 2020 | To be reviewed as part of SLA  |
|   |   |   |   | Local Pension Board Annual report  | Scheme manager      |  | 9 / 03 2020 |  |
| Conflicts of interest                               | 3 | 3 | 9 | Local Pension Board awareness of legal responsibilities                          | Pension Board chair |  | 9 / 03 2020 | Pension Board Member Training now being delivered to support new members. Further training required to ensure effectiveness of pension board.  |
|   | 3 | 2 | 6 | All Local Pension Board members to declare any conflicts and potential conflicts | Scheme manager      |  | 9 / 03 2020 | Employee and Employer pension board members all likely to be members of the FF's Pensions Scheme. (With the Exception of the 151 Officer), declaration to be recorded at next pension board meeting. |

## RISK SCORING MATRIX

|  |                    |                                     |            |            |          |                  |
|--|--------------------|-------------------------------------|------------|------------|----------|------------------|
| <b>Potential impact if risk occurred</b> | 5<br>Catastrophic  | 5                                   | 10         | 15         | 20       | 25               |
|  | 4<br>Major         | 4                                   | 8          | 12         | 16       | 20               |
|  | 3<br>Moderate      | 3                                   | 6          | 9          | 12       | 15               |
|  | 2<br>Minor         | 2                                   | 4          | 6          | 8        | 10               |
|  | 1<br>Insignificant | 1                                   | 2          | 3          | 4        | 5                |
|  |                    | 1 Rare                              | 2 Unlikely | 3 Possible | 4 Likely | 5 Almost certain |
|  |                    | <b>Likelihood of risk occurring</b> |            |            |          |                  |

Red (risk scores 15 to 25): Excess of risk appetite

Yellow (risk scores 7 to 14): Likely to cause some difficulties

Green (risk scores 1 to 6) Monitor as necessary

Appendix 3 –

**IMPACT DESCRIPTORS**

The following descriptors are designed to assist the scoring of the impact of a risk:

|                             | <b>Negligible (1)</b>                          | <b>Low (2)</b>                         | <b>Medium (3)</b>  | <b>High (4)</b>  | <b>Very High (5)</b>   |
|-----------------------------|--|--|--|--|--|
| <b>Legal and Regulatory</b> | Minor civil litigation or regulatory criticism | Minor regulator)y enforcement          | Major civil litigation and/or local public enquiry                           | Major civil litigation setting precedent and/or national public enquiry                | Section 151 or government intervention or criminal charges   |
| <b>Financial</b>            | <£0.5m   | <£1m                                   | <£5m   | <£10m  | >£10m  |
| <b>Service provision</b>    | Insignificant disruption to service delivery   | Minor disruption to service delivery   | Moderate direct effect on service delivery                                   | Major disruption to service delivery   | Critical long term disruption to service delivery  |
| <b>Reputation</b>           | No reputational impact                         | Minimal negative local media reporting | Significant negative front page reports/editorial comment in the local media | Sustained negative coverage in local media or negative reporting in the national media | Significant and sustained local opposition to policies and/or sustained negative media reporting in national media |

**NORTHAMPTONSHIRE  
FIREFIGHTERS’  
PENSION SCHEMES**



**LOCAL PENSION BOARD**

**9 March 2020**

**Report by: THE HEAD OF LGSS PENSIONS**

|                              |  |
|------------------------------|--|
| <b>Subject:</b>              | <b>Review of Member Training Policy</b>  |
| <b>Purpose of the Report</b> | To review the Member Training Policy for continued appropriateness.  |
| <b>Recommendations</b>       | <b>That the Board reviews and approves the Member Training Policy and completes the training needs analysis.</b>   |
| <b>Enquiries to:</b>         | Name – Jo Walton, LGSS Pensions Governance and Regulations Manager E-mail – <a href="mailto:jwalton@northamptonshire.gov.uk">jwalton@northamptonshire.gov.uk</a> |

**1. Background**

- 1.1 The Member Training Policy is required to assist the Local Pension Board in performing and developing their individual role with the ultimate aim of ensuring that the Northamptonshire Firefighters’ Pension Schemes are managed and assisted by individuals who have the appropriate level of knowledge and skills as required by the Public Service Pensions Act 2013.
- 1.2 In accordance with the Public Service Pensions Act 2013, each member of the Local Pension Board (LPB) should have the capacity to become conversant with, and will develop a knowledge and understanding of the rules of the relevant Firefighters’ Pension Schemes and the law relating to pensions and such other matters.
- 1.3 The Local Pension Board are required to attain knowledge in the following areas:
  - Legislative framework of Firefighter Pension Scheme(s)
  - General applicable pension legislation
  - Role and responsibilities of the Local Pension Board
  - Role and responsibilities of the Scheme Manager
  - Role of advisors and key personnel
- 1.4 The knowledge required can be obtained through a variety of methods and the policy ensures that key assessment and training is undertaken. These comprise of a training needs analysis, completion of the Pensions Regulator Toolkit and attendance at the Scheme Advisory Board annual training.
- 1.5 The Member Training Policy was approved by the Local Pension Board at the meeting of 10 September 2018 and can be found in appendix 1 of this report.

1.6 It is appropriate to regularly review this policy for continuing appropriateness. Officers of LGSS Pensions have conducted this review and consider that the policy is still fit for purpose.

## 2. Actions required by the Local Pension Board

2.1 The Local Pension Board are asked to review the existing policy and determine whether any changes are required.

2.2 Members of the Local Pension Board are asked to complete the Training Needs Analysis in appendix 1a and return to LGSS Pensions by 31 March 2020 in order for a training schedule to be produced for the next meeting of the Local Pension Board.

## 5. Risk Implications

a) Risk(s) associated with the proposal

| Risk  | Mitigation   | Residual Risk |
|---|--|---------------|
| Insufficient resources being available to deliver or arrange the required training  | Officers will monitor these risks and will act accordingly in the best interest of the Pension Scheme in conjunction with the Chairman of the Local Pension Board. | Amber         |
| The quality of advice or training provided is not to an acceptable standard   |  |               |
| Changes in membership potentially diminishing knowledge and understanding   |  |               |
| Poor attendance at training and/or formal meetings resulting in poor standard of knowledge accrual and maintenance of knowledge |  |               |

b) Risk(s) associated with not undertaking the proposal

| Risk  | Risk Rating |
|---|-------------|
| If the policy is not approved or enacted non-compliance with the Pension Regulator's Code of Practice and Section 248A of The Pensions Act 2004 may result. | Green       |

## 6. Finance & Resources Implications

6.1 Consideration will be given to various training resources available in delivering required training to Members of the Local Pension Board and in the most efficient manner.

## 7. Communication Implications

|                |   |
|----------------|---|
| <b>Website</b> | The policy, once approved by the Local Pension Board, will be made publically available on the LGSS Pensions website. |
|----------------|---|

## 8. Legal Implications

8.1 Not applicable.

**9. Consultation with Key Advisers**

9.1 None.

**10. Alternative Options Considered**

10.1 There are no alternative options to be considered.

**11. Background Papers**

11.1 Not applicable

**12. Appendices**

**Appendix 1 – Member Training Policy 2018**

**Appendix 1a – Training Needs Analysis**

| <b>Checklist of Key Approvals</b>                 |                          |
|---|--------------------------|
| Has this report been cleared by Head of Pensions? | Mark Whitby – 18/02/2020 |

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# Member Training Policy

## 2018

**NORTHAMPTONSHIRE FIREFIGHTERS' PENSION  
SCHEME(s)**

## **1. Introduction**

- 1.1 This is the Member Training Policy for the Firefighters' Pension Schemes, which is managed by Northamptonshire County Council (the Scheme Manager).
- 1.2 The day to day administration of the Firefighters' Pension Schemes is carried out by LGSS, a joint partnership of Cambridgeshire County Council, Northamptonshire County Council and Milton Keynes Council.

## **2. Purpose of the Policy**

- 2.1 The policy is designed to provide assurance to stakeholders that:
  - Ensure the Local Pension Board is constituted by people who have the appropriate knowledge and expertise to assist the Scheme Manager in ensuring the Firefighters' Pension Schemes are being managed and operated in an effective and efficient way;
  - Ensure decisions are robust, are well founded and comply with regulatory requirements or guidance from the Pensions Regulator and the Scheme Advisory Board.

## **3. Effective Dates and Reviews**

- 3.1 This policy was approved by the Local Pension Board on 10 September 2018 and was reviewed for continuing appropriateness at the meeting of the 9 March 2020..
- 3.2 The Local Pension Board will review the training policy on an annual basis.

## **4. Scope**

- 4.1 The policy applies to Local Pension Board members and the Scheme Manager.

## **5. Legal Requirements**

- 5.1 In accordance with the Public Service Pensions Act 2013, each member of the Local Pension Board (LPB) should have the capacity to become conversant with, and will develop a knowledge and understanding of the rules of the relevant Firefighters' Pension Schemes and the law relating to pensions and such other matters

## **6. The Pensions Regulator Code of Practice**

- 6.1 The Pensions Regulator's statutory objectives include protecting the benefits of pension scheme members and promoting the good administration of work-based pension schemes.
- 6.2 The Pensions Regulator has a number of regulatory tools, including issuing codes of practice, to enable it to meet its objectives.

- 6.3 The code of practice number 14 (governance and administration of public service pension schemes) is structured as a reference for scheme managers and pension boards to use to inform their actions in four core areas:
- governing the scheme;
  - managing risks;
  - administration; and
  - resolving issues.
- 6.4 The section of the code of practice covering governance of the scheme contains the expectations of the scheme manager and local pension board members in terms of knowledge and understanding.
- 6.5 Whilst codes of practice are not statements of the law and there is no penalty for failing to comply with them, codes have legal effect; they must be taken into account by the regulator, a court or tribunal, if they are relevant to what is being decided.
- 6.6 This policy has been written fully incorporating the expectations of the Pensions Regulator as laid out in the code of practice.

## **7. Knowledge required**

- 7.1 The Local Pension Board are required to attain knowledge in the following areas:
- Legislative framework of Firefighter Pension Scheme(s)
  - General applicable pension legislation
  - Role and responsibilities of the Local Pension Board
  - Role and responsibilities of the Scheme Manager
  - Role of advisors and key personnel

## **8. Delivery of training**

- 8.1 It is for individual Local Pension Board members to ensure they have the appropriate knowledge and understanding to enable them to properly exercise their functions as a member of the Local Pension Board. This knowledge and understanding must be kept up to date.
- 8.2 As a guide four training opportunities should be undertaken by members in a year.
- 8.3 Members will be expected to undertake a personal training needs analysis shortly after appointment to inform of further training required. The Pensions Regulator's public service toolkit is also a compulsory requirement and all members will be expected to complete within 6 months of appointment.
- 8.4 LGSS Pensions will provide members with upcoming events that maybe relevant, however, it is also the responsibility of Board members to take an interest in training and request to go on relevant courses as appropriate.
- 8.5 LGSS Pensions will maintain a written record of training and development undertaken and will send to members annually.

## **9. The Firefighters' Pensions (England) Scheme Advisory Board**

9.1 Each Local Pension Board is entitled to a free annual training session, funded by the statutory levy. Training will be delivered at a local venue and will be compulsory for all members to attend unless there is a substantial reasons why a member is unable to do so.

## **10. Reporting**

10.1 Each year the Chairman of the Local Pension Board will presented with details of the training opportunities that have been undertaken by members. The Chairman in conjunction with the Scheme Manager will determine whether sufficient training has been undertaken and will contact members individually if appropriate to do so.

## **11. Useful Links**

11.1 The Firefighters' Pensions (England) Scheme Advisory Board  
<http://www.fpsboard.org/index.php/local-pension-boards/training>

The Pensions Regulator Toolkit

<http://www.thepensionsregulator.gov.uk/public-service-schemes/learn-about-managing-public-service-schemes.aspx>

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# Firefighters' Pension Scheme(s) Training Needs Analysis

This document can be used by delegates as part of their assessment of training needs.

Delegate's Name: \_\_\_\_\_

## TRAINING NEEDS ANALYSIS – Self Assessment

Please tick appropriate level of knowledge for each topic

| Topic   | Familiar | Almost | Unsure |
|---|----------|--------|--------|
| <b>Background and Understanding of the Legislative Framework of the Fire Pension Scheme</b>   |          |        |        |
| Differences between public service pension schemes like the FPS and private sector trust-based schemes  |          |        |        |
| Role of the Independent Public Service Pensions Commission  |          |        |        |
| Key provisions of the Public Service Pensions Act 2013  |          |        |        |
| The structure of the scheme and the main bodies involved including the Responsible Authority, the Scheme Manager, the Scheme Advisory Board, the Local Pension Board and the scheme employer. |          |        |        |
| An overview of local authority law and how Administering Authorities are constituted and operate  |          |        |        |
| Scheme and connected scheme rules overview (including the Regulations)  |          |        |        |

| <b>General pensions legislation applicable to the schemes- An overview of wider legislation relevant to the schemes including:</b> |  |  |  |
|--|--|--|--|
| Automatic Enrolment (Pensions Act 2008)  |  |  |  |
| Contracting out (Pension Schemes Act 1993)   |  |  |  |
| The General Data Protection Regulation 2016  |  |  |  |
| Employment legislation including anti-discrimination, equal treatment, family related leave and redundancy rights                  |  |  |  |
| Freedom of Information (Freedom of Information Act 2000)   |  |  |  |
| Pensions sharing on divorce (Welfare Reform and Pensions Act 1999)   |  |  |  |
| Tax (Finance Act 2004)   |  |  |  |

| <b>Role and responsibilities of the Local Pension Board</b> |  |  |  |
|---|--|--|--|
| Role of the Local Pension Board                             |  |  |  |
| Conduct and conflicts                                       |  |  |  |
| Reporting of breaches                                       |  |  |  |
| Knowledge and understanding                                 |  |  |  |

| <b>Role and responsibilities of the Scheme Manager</b> |  |  |  |
|--|--|--|--|
| Membership and eligibility                             |  |  |  |
| Benefits and the payment of benefits                   |  |  |  |
| Decisions and discretions                              |  |  |  |
| Disclosure of information                              |  |  |  |
| Record keeping   |  |  |  |
| Internal controls                                      |  |  |  |
| Internal dispute resolution                            |  |  |  |
| Reporting of breaches                                  |  |  |  |
| Statements, reports and accounts                       |  |  |  |



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**NORTHAMPTONSHIRE  
PENSION FUND**



**LOCAL PENSION BOARD**

**9 March 2020**

**Report by: THE DEMOCRATIC SERVICES MANAGER**

|                              |  |
|------------------------------|--|
| <b>Subject:</b>              | <b>Meeting Dates 2020-2021</b>   |
| <b>Purpose of the Report</b> | To present the Northamptonshire Pension Fund with proposed dates for meetings during 2020 and 2021   |
| <b>Recommendations</b>       | <p><b>The Board are asked to approve meeting on the following dates:</b></p> <ul style="list-style-type: none"> <li>• <b>Monday 14 September 2020</b></li> <li>• <b>Monday 8 March 2021</b></li> <li>• <b>Monday 6 September 2021</b></li> </ul> |
| <b>Enquiries to:</b>         | <p>Name – Jenny Daniels, Democracy Officer<br/>                 Tel – 01604 367560<br/>                 E-mail: <a href="mailto:Jdaniels@northamptonshire.gov.uk">Jdaniels@northamptonshire.gov.uk</a></p>                                       |

**1. Background/Introduction**

1.1 The Local Pension Board is required to set meeting dates during the year. Giving as much notice as possible is an advantage in ensuring as many of those required can attend as possible.

**2. Relevant Pension Fund Objectives**

| <b>Perspective</b>    | <b>Outcome</b>   |
|-----------------------|--|
| <b>Administration</b> | <ul style="list-style-type: none"> <li>• Provide a high quality, friendly and informative administration service to the Funds' stakeholders.</li> </ul>  |
| <b>Governance</b>     | <ul style="list-style-type: none"> <li>• To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies.</li> </ul> |

**3. Finance & Resources Implications**

3.1 There are none.

**4. Risk Implications**

a) Risk(s) associated with the proposal

| <b>Risk</b>                                     | <b>Mitigation</b> | <b>Residual Risk</b> |
|---|-------------------|----------------------|
| There are no risks associated with the proposal |                   | Green                |

b) Risk(s) associated with not undertaking the proposal

| <b>Risk</b>  | <b>Risk Rating</b> |
|--|--------------------|
| That there will be no opportunities for the Local Pension Board to meet and items of business will not be completed. | Amber              |

## **5. Communication Implications**

5.1 There are no communication implications from this report.

## **6. Legal Implications**

6.1 There are no legal implications from this report.

## **7. Consultation with Key Advisers**

7.1 The Committee timetable for Council meetings was consulted when considering the dates on which to meet.

## **8. Alternative Options Considered**

8.1 There are no alternative options to this proposal.

## **9. Background Papers**

9.1 None applicable.

## **10. Appendices**

None.

| <b>Checklist of Key Approvals</b>  |     |
|--|-----|
| Is this decision included in the Business Plan?                              | NO  |
| Will further decisions be required? If so, please outline the timetable here | N/A |
| Is this report proposing an amendment to the budget and/or policy framework? | NO  |
| Has this report been cleared by Chief Finance Officer/Section 151 Officer?   | N/A |
| Has this report been cleared by The Head of Pensions?                        | N/A |
| Has the Chairman of the Pension Fund Committee been consulted?               | N/A |
| Has this report been cleared by Legal Services?                              | N/A |