

## Northamptonshire Local Pension Board (Firefighter's Pension Scheme)

1 June 2020  
2.00pm

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

Remote Participation

### AGENDA

**\* Papers enclosed**

Item No.	Subject	Responsible Officer
1.	Apologies for Absence and Declaration of Interests	Chair
2.*	Minutes from the meeting held on 9 March 2020	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

#### 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"

Jenny Daniels  
Democratic Services  
Northamptonshire County Council  
1<sup>st</sup> Floor One Angel Square  
Northampton NN1 1ED  
Tel: 01604 367560

**Issued: 20 May 2020**

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: Monday 9 March 2020**

PRESENT:-

Jim Dorrill (Employee Representative & Chairman)

Shaun Hallam    Employer Representative    Helen King    Chief Finance Officer, Office of the Police, Fire and Crime Commissioner for Northamptonshire

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

Jenny Daniels                      Democracy Officer    (minutes)  
Paul Hanson                        Democratic Services Manager  
Joanne Walton                      LGSS Pensions Governance & Regulations Manager

Item No.	Item	Action to be taken by
01/20	<b><u>Apologies for Absence and Declarations of Interest:</u></b>  Apologies were received from Kevin Aitken and the Chief Fire Officer, Darren Dovey. There were no declarations of interest.	<b>Jenny Daniels</b>

<p>02/20</p>	<p><b><u>Minutes of the Meeting 25 September 2019</u></b></p> <p>It was noted that a group had been established to determine the anticipated retirement profile for the service and was meeting the following day. It would look at a 12-18 month cycle and would keep this regularly updated. Information would be sent to the Pensions Service following the meeting. In answer to a query it was confirmed that the service tracked the number of members who were coming up to retirement.</p> <p>The service confirmed that it was happy for the board to meet four times per year. The Democratic Services Manager confirmed that Democratic Services would offer support until vesting day for the new unitary authorities. The LGSS Pensions Governance &amp; Regulations Manager confirmed they would not be offering support after April 2021.</p> <p>The Chief Finance Officer, Helen King, confirmed that the function had not been included as part of the audit programme but it could be prioritised within the audit that had been discussed with the Assistant Director, Audit and Risk. The LGSS Pensions Governance &amp; Regulations Manager stated that LGSS Audit had reviewed some samples but not the administration of the Scheme. The Chief Finance Officer would seek clarification about the work undertaken.</p> <p>The Chairman confirmed he had spoken to Claire Alcock regarding the work programme. There had been confusion about whether the work programme should include training. The Chairman stated he would send the work programme to members of the Local Pension Board.</p> <p><b>RESOLVED that: the Local Pension Board:</b></p> <ol style="list-style-type: none"> <li>1) approved the minutes of the meeting held on 25 September 2019;</li> <li>2) noted that the Assistant Chief Fire Officer would send details retirement profile following the Board meeting the following day;</li> </ol>	<p>Jenny Daniels Shaun Hallam</p>
<p>03/20</p>	<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) highlighting the following:</p> <ul style="list-style-type: none"> <li>• All KPIs had been met apart from one.</li> </ul>	

	<ul style="list-style-type: none"> <li>• Only one estimate of Pension Benefits had been processed outside of the 10 day requirement.</li> <li>• As could be seen from the table in 3.2.3, data quality scores had increased over the previous year.</li> <li>• With regard to the contracting out data, HMRC had not released a final file of data that would also contain all of the answers to the queries raised by ITM Ltd. HMRC had been unable to confirm when the final data files would be available.</li> <li>• It was recommended that the remaining deferred member's records with no address available were traced via the Department of Work and Pensions. The Department of Work and Pensions could then confirm if a deferred member was deceased.</li> </ul> <p>In answer to queries on the report the following was confirmed:</p> <ul style="list-style-type: none"> <li>• Common data would be basic information like a person's name and address.</li> <li>• It was felt the scores outlined in the report represented a health position. The Pensions Regulator would contact Scheme Managers in the event an issue was identified.</li> <li>• As long as the data and fields that were tested were consistent each year, comparisons to ascertain trends in the data were possible.</li> <li>• Scheme members could use the self-service portal but the Pensions Service were reliant on the Employers sending them the correct information.</li> </ul> <p><b>RESOLVED that: the Local Pension Board noted the content of the report and agreed the way forward with regard to Member addresses.</b></p>	
04/20	<p><b><u>Compliance with the Pensions Regulator's Code of Practice</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) highlighting Section 2 of the report which showed where the Northamptonshire Fire and Rescue Service was compliant with the Code of Practice. Work yet to be undertaken included establishing procedures for assessing and managing risk including a risk register and meeting four times a year. It was noted these items were to be discussed later on the agenda.</p> <p><b>RESOLVED that: The Local Pension Board noted the report and that items included in it would be discussed later on the agenda.</b></p>	

**Joanne Walton**

**Joanne Walton**

05/20	<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) stating it was a key piece of documentation. Although a risk strategy was in place, there was no formal risk register. The Board were asked to note that, whilst failure to send out benefits statements on time would be the fault of the administrators (Pensions Service), it would be the Scheme Manager (Fire Service) that would be responsible in law for any consequences.</p> <p>Items on the risk register were then discussed as follows:</p> <ul style="list-style-type: none"> <li>• Operational disaster (fire/flood): This was scored as a 3,2 &amp; 6. It would be discussed at a forthcoming Contract Review Meeting.</li> <li>• Member data incomplete or inaccurate: This was scored as a 2, 2 &amp; 4. It would be discussed at a forthcoming Contract Review Meeting.</li> <li>• Administration process failure/maladministration: This was scored as a 1, 2 &amp; 2. It also be reviewed at an SLA Review Meeting.</li> <li>• Officers acting outside of delegated responsibility: This should be scored as a 2, 2 &amp; 4.</li> <li>• Employer fails to deduct and pay-over pensions contributions: This should be scored as a 2, 2 &amp; 4.</li> <li>• Failure to interpret rules or legislation correctly: This was in the SLA under training and it would be reviewed as part of the SLA. It was suggested it should read 'failure to respond to emerging legislation or legal precedent'.</li> <li>• Conflicts of Interest: To be reworded as follows: "Pension board member training has been revised in light of changes to membership. Future training reviewed to ensure it meets needs of board members".</li> </ul> <p>Further risks would need to be included under Operations as support from LGSS Pensions was ending in 2021. It would be score as a 3, 3 and 9. It was one of the highest risks and would be included in the procurement plan. The Head of Pensions was due to meet with the Chief Fire Officer and Chief Finance Officer to discuss it further. Under Regulatory and Compliance it was suggested that a new action be added to review findings when available from emerging tribunal outcomes and review the score from 2/2 to 3/3. This would be reviewed again by July 2020</p> <p><b>RESOLVED that: the Local Pension Board approved risks identified on the Northamptonshire Firefighters'</b></p>	

	<b>Pension(s) Scheme Risk Register and made the changes as noted above.</b>	<b>Joanne Walton</b>
<b>06/20</b>	<p><b><u>Member Training Policy</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) stating it had been in place since 2018. A training needs analysis would need to be completed in order to identify gaps. The training toolkit would be very helpful when they were undertaking procurement. The Policy would also need to be altered as it referred to Northamptonshire County Council as the Scheme Manager.</p> <p><b>RESOLVED that: the Local Pension Board approved the Member Training Policy and would complete the training needs analysis.</b></p>	<b>Joanne Walton</b>
<b>07/20</b>	<p><b><u>Committee Dates 2020-2021</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). It was noted they should move to 4 meetings per year so the Democratic Services Team would add dates in June and December to the timetable.</p> <p><b>RESOLVED that: The Local Pension Board agreed to meet 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> <p><b>And that dates in June and December 2020 would be added to the timetable.</b></p>	<b>Jenny Daniels</b>

There being no further business the meeting closed at 3.15pm.

Jenny Daniels, Democracy Officer.

**NORTHAMPTONSHIRE  
FIREFIGHTERS'  
PENSION SCHEMES**



**LOCAL PENSION BOARD**

**1 June 2020**

**Report by: THE HEAD OF 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</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 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 February 2020 to April 2020 all targets were achieved despite officers working from home due to the social distancing requirements required as a result of the coronavirus pandemic.
- 2.4 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 Plan**

- 3.1 At the March 2019 meeting, the Data Improvement Policy and Plan was presented to and approved by the Local Pension Board.

#### **3.2 Contracting-out reconciliation and rectification**

- 3.2.1 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.
- 3.2.2 HMRC have still not been able to issue the final file of data that was initially scheduled for release by 31 December 2019. This means that the rectification stage of the project cannot be undertaken.
- 3.2.3 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.

#### **3.3 Member addresses**

- 3.3.1 It was agreed at the March 2020 of the Local Pension Board that LGSS Pensions would use the services of the Department of Work and Pensions to obtain current addresses of those scheme members that do not have a current address on their records. An update on this will be provided at the next meeting of the Local Pension Board.

### **4. Breaches of the Law**

- 4.1 It is a requirement of the administrators of the Firefighters' Pension Schemes, the Scheme Manager and the Local Pension Board to identify and consider breaches of the law in the governance and administration of the schemes. The Local Pension Board has approved a policy which sets out the considerations for deciding what action is required when a breach of the law occurs.
- 4.2 LGSS Pensions wish to bring to the attention of the Local Pension Board that a breach in the administration of the Firefighters' Pension Scheme has occurred. The breach involves failing to write to 67 scheme members who have left the scheme to advise them of their entitlement within two months of LGSS Pensions being notified that the member has left. The letter is a statutory requirement to inform the member of the type of benefit that they are entitled to such as a deferred benefit or a refund of contributions or transfer to another pension scheme. The monetary value of the members' entitlement is not required for inclusion in this letter but will be provided at a later stage which has no statutory time limit attached to it.

- 4.3 This breach has occurred due to the work-flow process not including this requirement. All members that have left the scheme who have not had their actual entitlement calculated have now received this entitlement letter and so LGSS Pensions have deemed this a breach of the law but one that is not of a material nature that would require reporting to the Pensions Regulator. LGSS Pensions have taken this view as the member has not suffered a detriment as a result of not receiving this letter and the oversight was not an attempt to defraud or conceal information. All members that should have received this letter will have done so by 31 May 2020 and will be notified of the value of their entitlement by 30 September 2020.
- 4.4 The Scheme Manager and the Local Pension Board are entitled to take a different view and may decide that it is necessary to report this breach to the Pensions Regulator.
- 4.5 Monthly monitoring is now in place to ensure that the statutory time limits for this requirement are adhered to and work-flow processes have been reviewed and amended to support this.
- 4.6 In compliance with the Pensions Regulator's requirements on breaches of the law, the breach has been logged on the breach log that can be found in appendix 2.

## 5. Finance & Resources Implications

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

## 6. 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 ensuring that records held on members of the Firefighters' Pension Schemes are accurate and that breaches of the law are considered, logged and reported where necessary.	N/A	Green

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

<b>Risk</b>	<b>Risk Rating</b>
Failure to ensure the records held on members of the Firefighters' Pension Scheme are accurate would be a breach of the law. Failing to comply with the requirements of the relevant pensions legislation, the Pensions Regulator, Scheme Advisory Board and Public Service Pension Act 2013 may result in the Pensions Regulator taking action to improve standards.	Amber

## 7. Communication implications

7.1 There are no implications to be considered.

## 8. Legal Implications

8.1 Section 4 of this report details a breach of the law that the Local Pension Board are asked to consider.

## 9. Consultation with Key Advisers

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

## 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 – Firefighters' Pension Scheme Administration Performance Monitoring**

**Appendix 2 – Firefighters' Pension Scheme Breaches of the Law Log**

<b>Checklist of Key Approvals</b>	
Has this report been cleared by Head of Pensions?	Mark Whitby – 18/05/2020

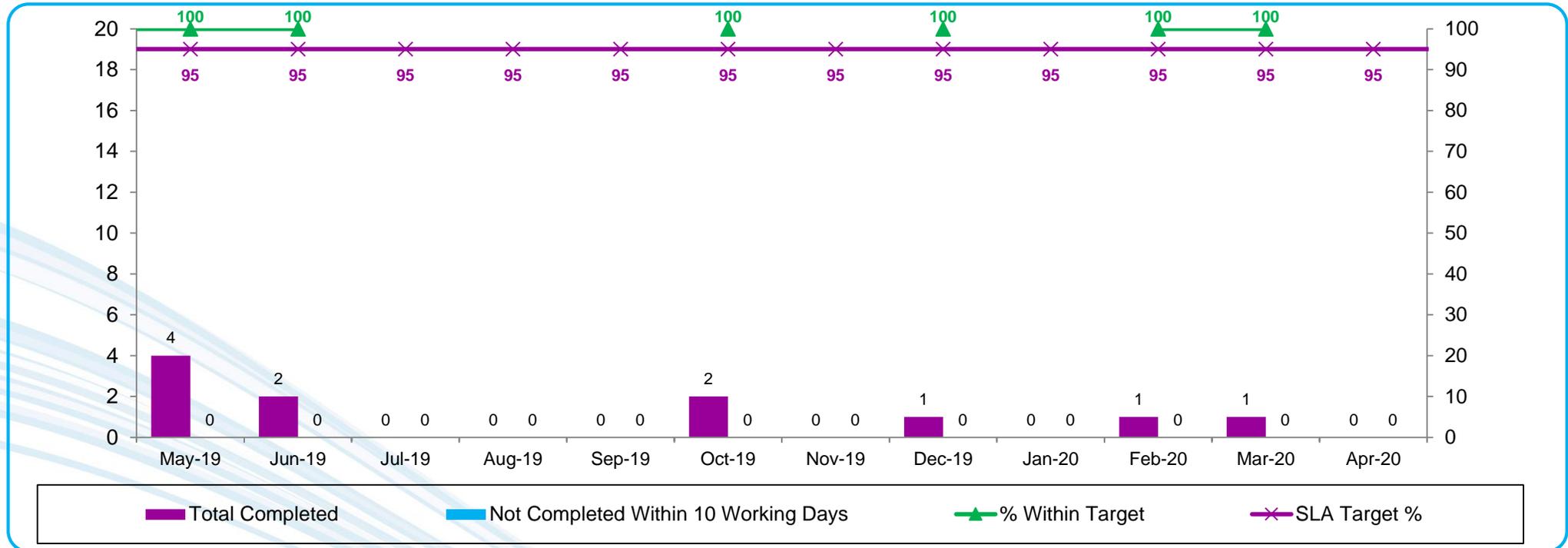


# **Northamptonshire Fire and Rescue Service Performance Monitoring April 2020**

## Table of Contents

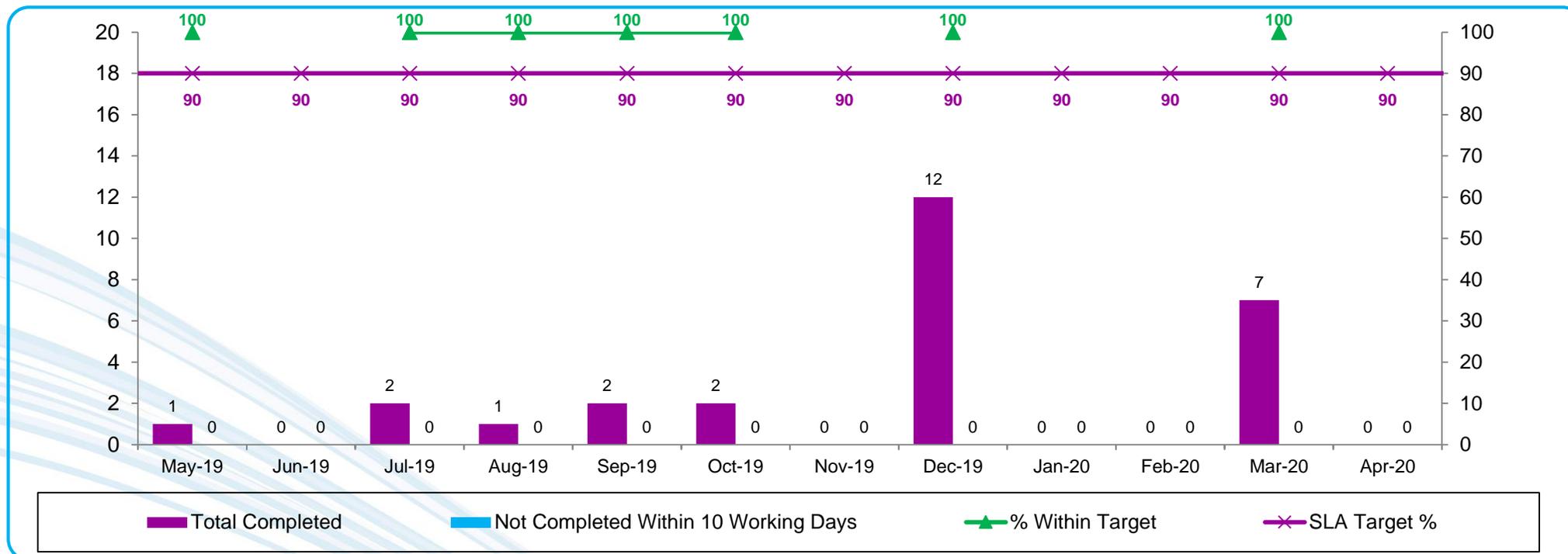
No	Contents	Slide
1.	SLA Target - Notify employees retiring from active membership of benefits award	3
2.	SLA Target - Notify leavers of deferred benefit entitlement	4
3.	SLA Target – Provide transfer in quote to scheme member	5
4.	SLA Target – Confirm transfer in payment and benefits credited to scheme member	6
5.	SLA Target – Provide a cash equivalent transfer value – CETV	7
6.	SLA Target – Process transfer out and issue CETV statement	8
7.	SLA Target – Provide a divorce quotation	9
8.	SLA Target – Obtain details of beneficiaries after advice of death	10
9.	SLA Target – Provide an estimate of benefits	11
10.	SLA Target – Calculate cost of purchasing additional pension and notify scheme member	12

### SLA Target - Notify employees retiring from active membership of benefits award



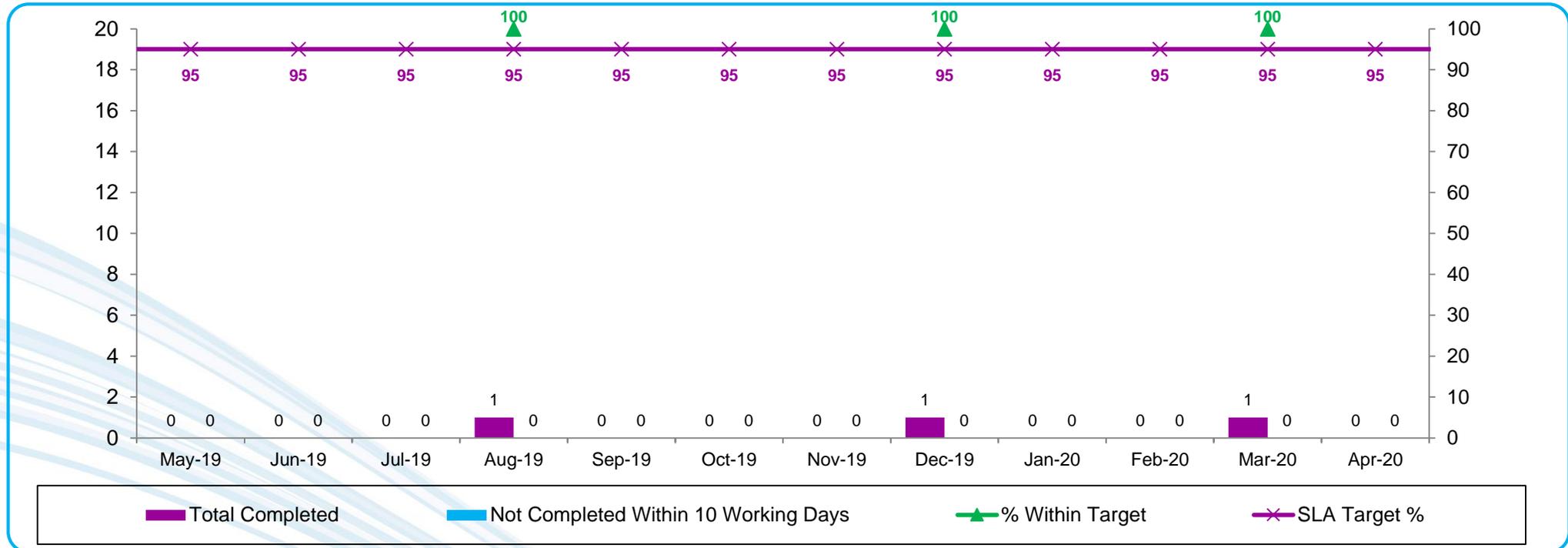
- This chart shows the number of cases and time period for notifying employees retiring from active membership of benefits award, from date of receiving all necessary information, based on the SLA target.

## SLA Target - Notify leavers of deferred benefit entitlement



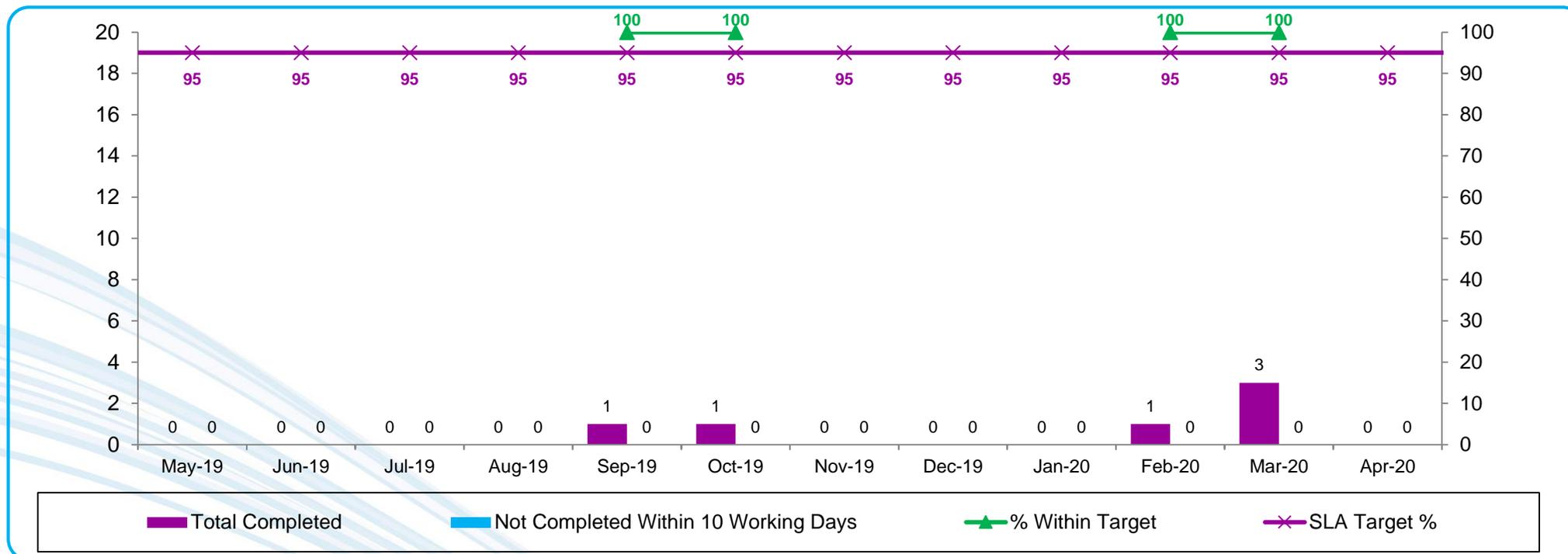
- This chart shows the number of cases and time period for notifying leavers of deferred benefit entitlement from receipt of all information, based on the SLA target.

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



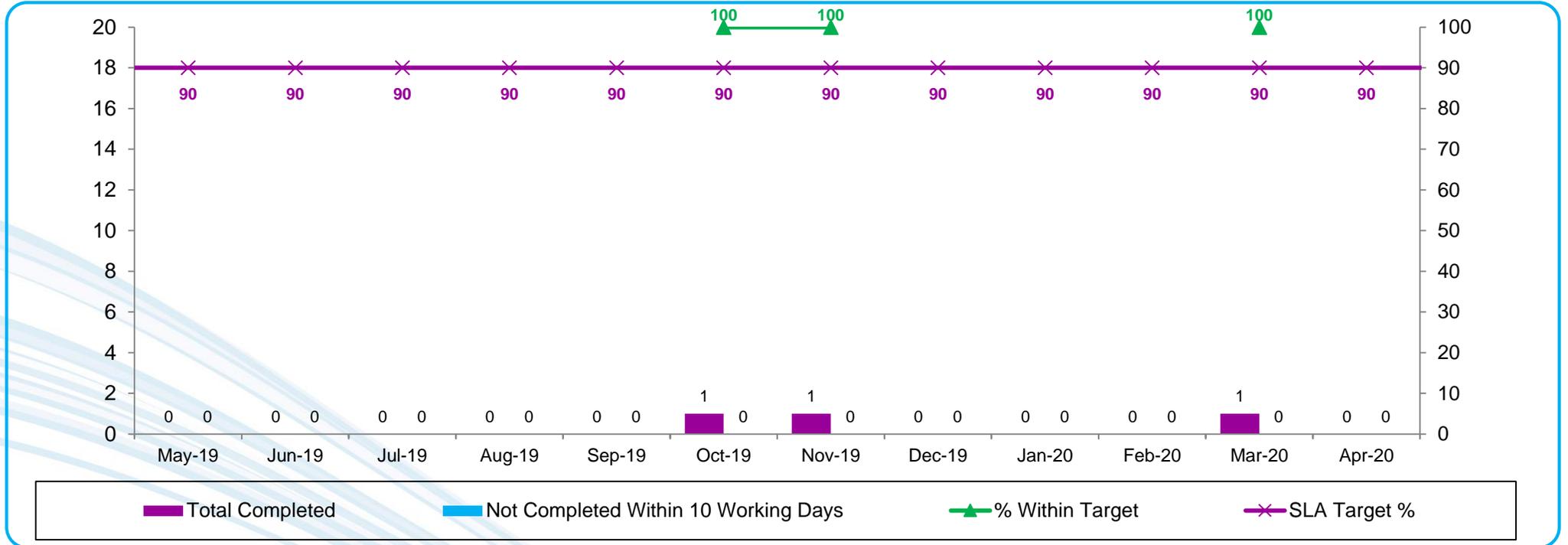
- This chart shows the number of cases and time period for issuing a transfer-in quote letter from receipt of all appropriate information, based on the SLA target.

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



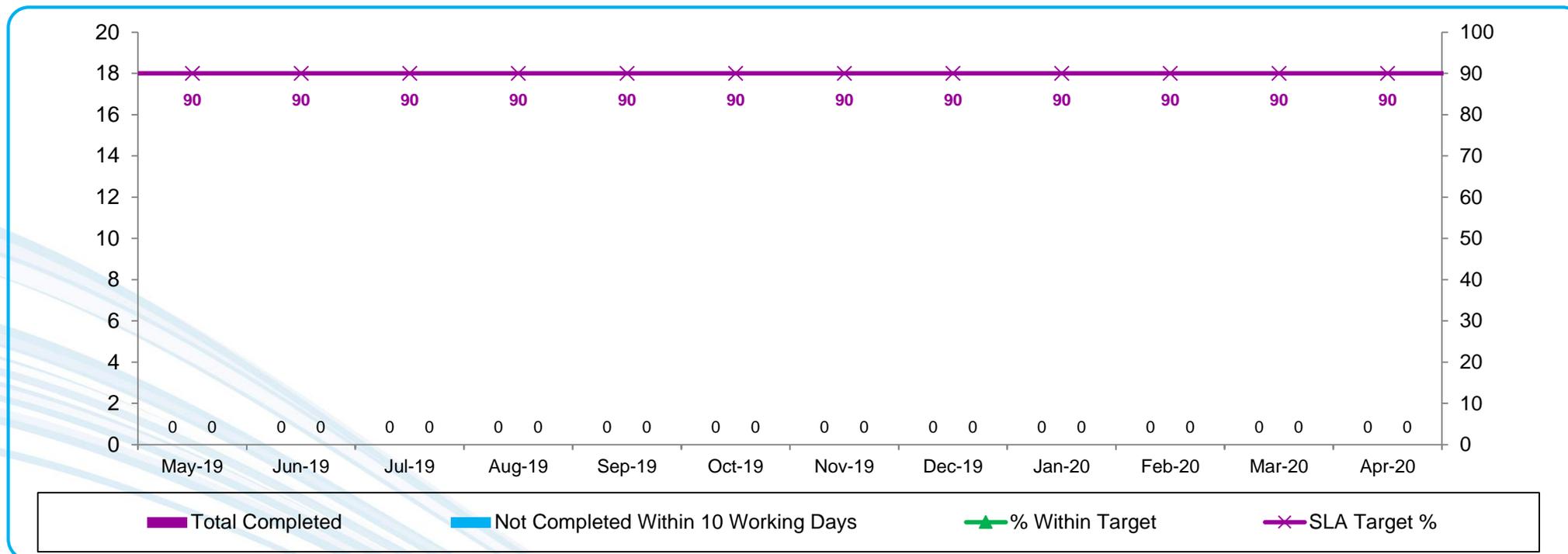
- This chart shows the number of cases and time period for confirming transfer in payment and benefits credited from receipt of all appropriate information, based on the SLA target.

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



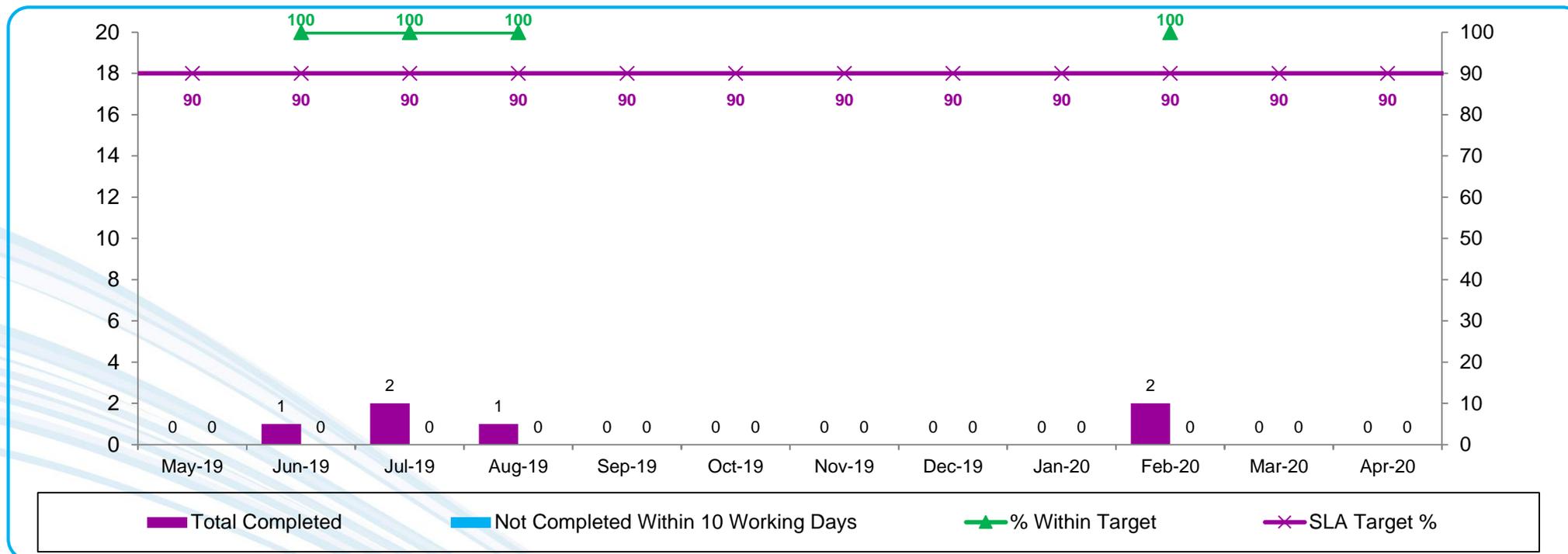
- This chart shows the number of cases and time period for issuing a CETV from receipt of all appropriate information, based on the SLA target.

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



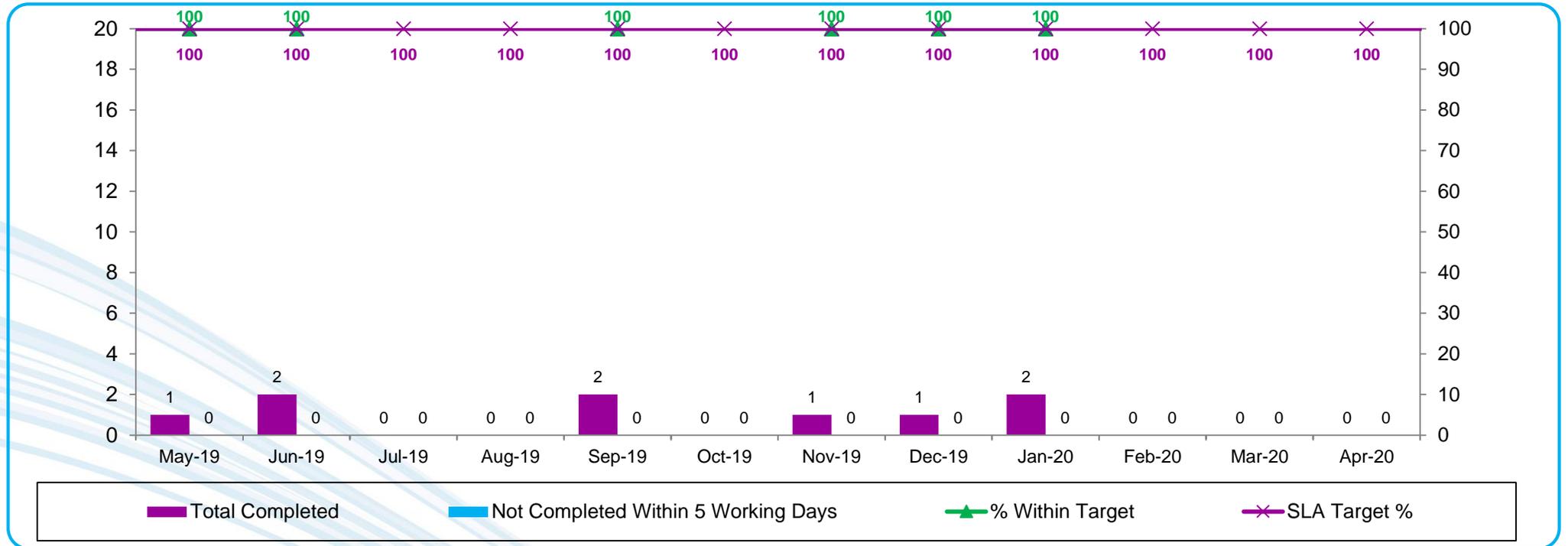
- This chart shows the number of cases and time period for processing transfer out payments from the receipt of all information needed to calculate the CETV, based on the SLA target.

## SLA Target – Provide a divorce quotation



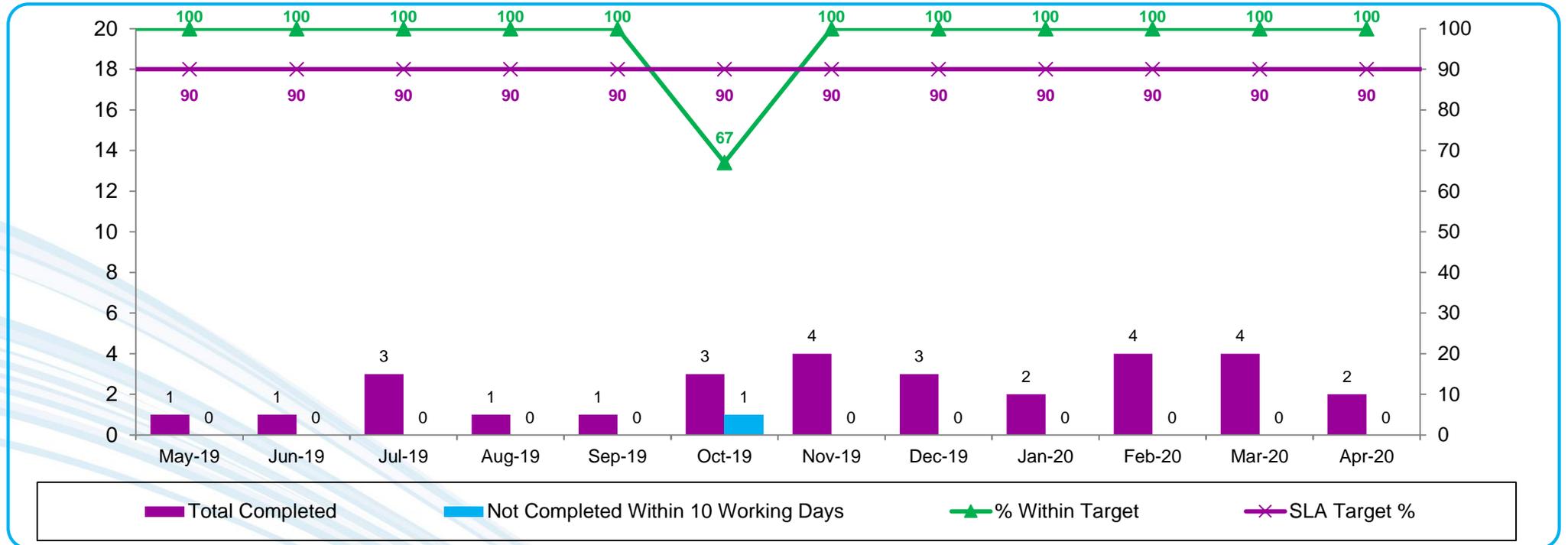
- This chart shows the number of cases and time period for providing a divorce quotation from receipt of all information, based on the SLA target.

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



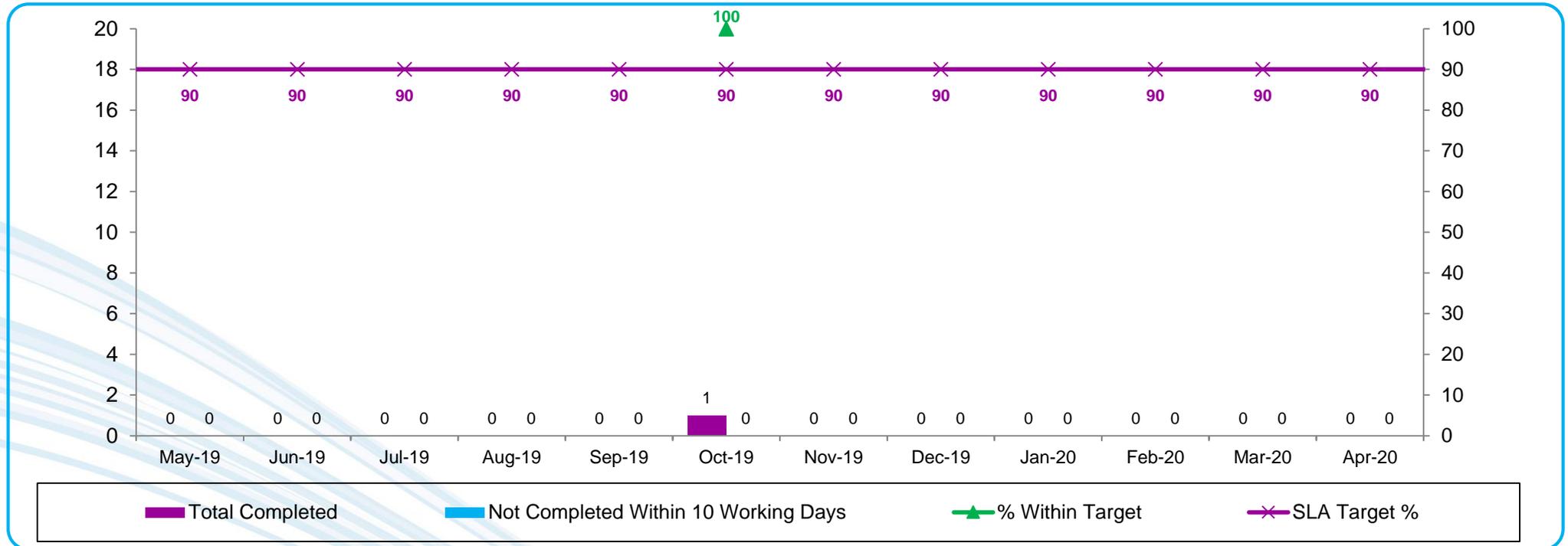
- This chart shows the number of cases and time period for obtaining details of beneficiaries, based on the SLA target.

### 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 Scheme – Breaches of the Law

Requirement	Breach	Reason for Breach	Reported to the Pensions Regulator?	Action Plan	Scheme Manager notified?	Local Pension Board notified?	Action Plan completed?
Annual benefit statements to be issued by 31 August 2019	4 out of 365 (1%) statements for active members not issued by 31 August 2019	Pensions administration software could not produce accurate statements (will be resolved following software upgrade scheduled for 3 October 2019)	No, immaterial to the Pensions Regulator	The 4 members who did not receive statements have been written to advising of the delay. Statements will be issued by 31 October 2019.	Yes and action plan agreed.	Yes, meeting of 25 September 2019.	Yes October 2019
A leaver of the pension scheme must be issued with an entitlement letter within two months of the scheme being notified	89 entitlement letters have not been issued within 2 months of LGSS Pensions being notified that the scheme member had left the scheme	Process failure	No, immaterial to the Pensions Regulator.	All effected members have now received the entitlement letter and processed have been amended to ensure this requirement is met.	Yes, 18 May 2020.	Yes, meeting of 1 June 2020.	

**NORTHAMPTONSHIRE  
FIREFIGHTERS'  
PENSION SCHEMES**



**LOCAL PENSION BOARD**

**1 June 2020**

**Report by: THE HEAD OF PENSIONS**

<b>Subject:</b>	<b>Compliance with the Pensions Regulator's Code of Practice</b>
<b>Purpose of the Report</b>	To present to the Local Pension Board an update on the compliance of the Northamptonshire Firefighters' Pension Schemes with the Pensions Regulator's code of practice on the governance and administration of public service pension schemes
<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 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 current pension administrators (LGSS Pensions) as those who are responsible for ensuring compliance with the code of practice. However, the Scheme Manager has ultimate responsibility.
- 1.4 The purpose of this report is to provide an update on the extent of compliance.

**2. Extent of compliance with the Pensions Regulator's code of practice**

- 2.1 As at the last meeting of the Local Pension Board the aspects of the Pensions Regulator's code of practice in respect of the Northamptonshire Firefighters' Pension Schemes where full compliance had been achieved was:
  - 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 Since the last meeting of the Local Pension Board full compliance with the code of practice has been achieved as follows;

It was agreed at the March 2020 meeting of the Local Pension Board that meeting frequency should be increased from two per year to four with immediate effect. Meetings have been scheduled for June, September and December 2020 and March 2021. It should be noted that this and future meetings will be held virtually due to the social distancing requirements resulting from the coronavirus pandemic.

- A risk register has been established and was discussed at the March 2020 meeting. The risk register will now be brought to every meeting starting with this meeting (1 June 2020) for a review of existing risks, controls and risk ratings and to consider whether any new risks have arisen.

2.3 It is recommended that it would be appropriate to review the extent of compliance should be reviewed at least annually to ensure full compliance is being maintained.

### 3. Finance & Resources Implications

3.1 Costs associated with the increase in meeting frequency and therefore report production actions required to achieve full compliance with the Pensions Regulator's code of practice has been notified to Northamptonshire Fire and Rescue Service in respect of LGSS Pensions.

### 4. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
Ensuring continued 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 demonstrates effective governance and administration of the schemes.	N/A	N/A

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

Risk	Risk Rating
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

## 5. Communication Implications

<b>Website</b>	All policies will be made available under the Firefighters' Pension Scheme section of the LGSS Pensions Service website.
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## 6. Legal Implications

6.1 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.

## 7. Consultation with Key Advisers

7.1 Not applicable for this report.

## 8. 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

None

<b>Checklist of Key Approvals</b>	
Has this report been cleared by Head of Pensions?	Mark Whitby – 15 May 2020

# NORTHAMPTONSHIRE FIREFIGHTERS' PENSION SCHEME



## LOCAL PENSION BOARD

1 June 2020

Report by: THE HEAD OF PENSIONS

<b>Subject:</b>	<b>Northamptonshire Firefighters' Pension Scheme(s) Risk Register</b>
<b>Purpose of the Report</b>	To review the Northamptonshire Firefighters' Pension Scheme(s) Risk Register
<b>Recommendations</b>	<p><b>The Local Pension Board are asked to:</b></p> <ol style="list-style-type: none"> <li><b>1) Review the current risks on the Northamptonshire Firefighters' Pension(s) Scheme Risk Register (paragraph 3.2);</b></li> <li><b>2) Provide risk ratings and controls for the new risks identified (paragraph 3.6); and</b></li> <li><b>3) Consider whether any further risks or controls need to be added in light of Covid-19 (paragraph 4.3)</b></li> </ol>
<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 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 scheme managers to carry out a risk assessment and produce a risk register which should be reviewed regularly.

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

- 2.1 At the March 2020 meeting of the Local Pension Board a draft risk register was presented for discussion. The discussion resulted in a number of changes as identified in the minutes of that meeting.
- 2.2. The changes have now been incorporated into the risk register which can be found in appendix 1

### 3. Review of the Risk Register

- 3.1 It is considered good practice to review the risk register at every meeting of the Local Pension Board to ensure that all existing risks and risk ratings remain appropriate, to add or amend controls and to add any additional risks that have arisen since the last review.

- 3.2 The members of the Local Pension Board are therefore asked to consider the existing risks on the register that can be found in appendix 1 (**recommendation 1**).
- 3.3 In February 2020, LGSS Pensions gave notice that the Service Level Agreement in place to deliver pensions administration and a range of pensions accounting functions in respect of the Firefighters' Pension Scheme would cease on 31 March 2021.
- 3.4 The risk of the current SLA coming to an end and the procurement and transition to a new provider was discussed at the March 2020 meeting and was deemed a risk that should be added to the risk register. The suggested description of this risk is as follows:
- 'Interruption to pensions administration and pensions accounting function following end of the existing service level agreement with LGSS Pensions on 31 March 2021'*
- 3.5 A likelihood of 3 and an impact of 3 were considered appropriate risk ratings for this particular risk.
- 3.6 The Local Pension Board should consider if they are satisfied with the description of this risk, consider controls that need to be put in place and whether the previous risk ratings remain appropriate (**recommendation 2**).

#### 4. **Coronavirus pandemic**

- 4.1 LGSS Pensions have provided assurances to Northamptonshire Fire and Rescue Service that administration and accounting functions in respect of the Firefighters' Pension Schemes are continuing during the coronavirus pandemic with officers working from home.
- 4.2 It has been demonstrated in the administration performance report presented at this meeting the processing of pension benefits has not been impacted during the months of March and April 2020.
- 4.3 Given that the administration delivery and performance remains the responsibility of the Scheme Manager the Local Pension Board should consider how they wish to incorporate the potential risks of the coronavirus pandemic should be captured on the risk register and if so whether any additional controls are required (**recommendation 3**).

#### 5. **Finance & Resources Implications**

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

#### 6. **Risk Implications**

a) Risk(s) associated with the proposal

<b>Risk</b>	<b>Mitigation</b>	<b>Residual Risk</b>
None	A frequently reviewed risk register highlights areas of concern and allows for appropriate controls to be put in	Green

	place.	
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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

**7. 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.
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**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 – Draft risk register**

<b>Checklist of Key Approvals</b>	
Has this report been cleared by Head of Pensions?	Mark Whitby – 15 May 2020

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

Risk area 1 – Operations	Likelihood (1:low, 5: high)	Impact (1:low, 5: high)	Score (likelihood x impact)	Control	Owner	Test	Next review	Comment
Operational disaster (fire/flood)	3	2	6	Business continuity plans in place for the Pensions Service	LGSS Pensions		09/03/2020	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		09/03/2020	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		09/03/2020	
Interruption to pensions administration and pensions accounting function following end of the existing	3	3	9					

service level agreement with LGSS Pensions on 31 March 2021.								
<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 pension contributions	2	2	4	Monthly monitoring of contribution payments by payroll manager and administrators	LGSS Pensions/ Scheme manager			Linked to internal audit programme – payroll and improvement plan. To be reviewed by section 151 officer.
<b>Risk area 4 – Regulatory and Compliance</b>								
Failure to respond to emerging legislation or legal precedent.	2	2	4	Up to date and documented evidence of training for Local Pension Board members	LGSS Pensions		09/03/2020	Initial training for pension board members completed – to be continually reviewed.
				Regular training, technical advice and updates	LGSS Pensions		09/03/2020	To be reviewed as part of SLA
				Local Pension Board Annual report	Scheme manager		09/03/2020	
Conflicts of interest	3	3	9	Local Pension Board awareness of legal responsibilities	Pension Board chair		09/03/2020	Pension Board Member Training has been revised in light of changes to membership. Future training reviewed to

								ensure it meets the needs of the board members.
	3	2	6	All Local Pension Board members to declare any conflicts and potential conflicts	Scheme manager		09/03/2020	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 Catastrophic	5	10	15	20	25
	4 Major	4	8	12	16	20
	3 Moderate	3	6	9	12	15
	2 Minor	2	4	6	8	10
	1 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 regulatory 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