



OFFICIAL

Local Pension Board Annual Report 2020 - 21

Local Pension Board

Date: 23 April 2021

Agenda Item:

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Submitted By: Monitoring Officer

Purpose	To consider the Annual Report 2020 – 21 and recommend formal ratification by the Human Resources Committee on 9 July 2021.
Recommendations	That the Local Pension Board Annual Report 2020 – 21 be submitted for formal ratification by the Human Resources Committee on 9 July 2021.
Summary	In accordance with the requirements placed upon Local Pension Boards, the Annual Report is produced each year and under the Authority's Constitution, the Human Resources Committee is responsible for pension matters including consideration of recommendations from this Board.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Annual Report 2020 - 21

1 Introduction

- 1.1 In accordance with Section 5 and s.30 (1) of the Public Service Pensions Act 2013 and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the West Yorkshire Fire and Rescue Authority Local Pension Board was established in February 2015 to provide advice on the effective and efficient administration and management of the various firefighter pension schemes.

2 Information

- 2.1 As detailed in the Authority's Constitution and in accordance with good practice, the Local Pension Board produces an annual report to include the following;

- Areas of concern
- Good practice
- Number of retirements (natural and ill health)
- New starters
- Membership numbers, and
- Number of Opt outs from a relevant Pension Scheme

- 2.2 Attached as an annex to this report is the 2020 – 21 Annual Report of the Board for Members' consideration.

- 2.3 The Annual Report will be submitted to the Human Resources Committee for formal ratification on 9 July 2021.

3 Financial Implications

- 3.1 There are no financial implications arising directly from this report.

4 Human Resource and Diversity Implications

- 4.1 There are no human resource and diversity implications arising directly from this report.

5 Health, Safety and Wellbeing Implications

- 5.1 There are no health, safety or wellbeing implications arising directly from this report.

6 Environmental Implications

- 6.1 None identified arising directly from this report.

7 Your Fire and Rescue Service Priorities

- 7.1 This report and the production of an annual report supports the priority to work smarter throughout the service.



LOCAL PENSION BOARD

Annual Report 2020 - 2021

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Ownership: Legal and Governance

Date Issued:

Version:

Status: Draft



Revision and Signoff Sheet

Change Record

Date	Author	Version	Comments
		V1 – initial draft	To submit to Local Pension Board for final comment and recommendation for approval to HR Committee on 9 July 2021

Reviewers

Name	Version Approved	Position	Organisation	Date
Nicola Houseman		Committee Manager	WYFRA	03/03/21

Distribution

Name	Position	Organisation
Local Pension Board		West Yorkshire Fire and Rescue Authority
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1 Foreword

The purpose of this Annual report is to provide a source of information about the status of West Yorkshire Fire and Rescue Authority Local Pension Board for Scheme members and for the Scheme Manager together with a summary of issues considered in the relevant period (1 April 2020 – 31 March 2021)

In accordance with Section 5 and s.30 (1) of the Public Service Pensions Act 2013 and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the West Yorkshire Fire and Rescue Authority Local Pension Board was established in February 2015 to provide advice on the effective and efficient administration and management of the various firefighter pension schemes.

[The Local Government Pension Scheme for Green Book employees is monitored by a separate Local Pension Board established by the West Yorkshire Local Government Pension Scheme and does not form part of this Annual Report].

The Report includes commentary on the following;

- A summary of the work undertaken by the Local Pension Board during 2020 – 21
- Detail of areas investigated and how these areas were dealt with
- Any conflicts of interest and how these were managed
- Any identified risks and other areas of potential concern
- Any expenses and costs incurred by the Board
- Gifts and hospitality received by members of the Board
- Training for Board members
- Breaches
- Scrutiny and review

Information has also been categorised in parts of this Annual Report on the basis of the following Classifications

Classification	Action
	Outstanding
	Partially complete
	Complete

2 Membership and meetings of the Board

2.1 The West Yorkshire Fire and Rescue Authority Local Pension Board comprises 6 members as follows (as approved by the Full Authority on 26 June 2020);

3 x Scheme Member representatives (Paul Drinkwater, Chris Lawton (Chair) and Jim Davies FBU)

3 x Scheme Manager representatives (Councillors Peter Harrand and Angela Wenham and John Roberts CEx/CFO)

(plus Non-voting Officer Adviser(s) as appropriate)

- 2.2 The Board has met on 2 occasions in the 2020 – 21 year with an additional meeting by email on 20 April 2020. There was an attendance of 83.3% during the period in question.

3 Work undertaken by the West Yorkshire Fire and Rescue Authority Local Pension Board 2020 – 21

- 3.1 The work undertaken by the Board during the course of the year has been defined by the extant Terms of Reference (initially approved at the 24 June 2016 meeting of the West Yorkshire Fire and Rescue Authority).

- 3.2 Appointment to the Pensionable Pay working group at the behest of the Local Government Association and appointment to the Scheme Advisory Board's Benchmarking and Effectiveness Committee

- Chris Lawton (Scheme member representative - Chair)

- 3.3 During the period 1 April 2020 – 31 March 2021 the following items were also considered by the Board;

- Updates on the work with the national Scheme Advisory Board (SAB) & its sub-committee (Ensuring the effectiveness of the Local Pension Board)
- Pension Fund – Key Performance Indicators and corporate risks
- Discretions made by the Scheme Manager
- Annual benefit statements (including Annual Benefit Survey 2020)
- Annual review of Terms of Reference
- Pension Risk Register (with update for COVID19 risks)
- Compliance deadlines and Breaches Register
- Response to SAB survey 2019 on effectiveness of Local Pension Boards (including West Yorkshire position statement)
- Equalisation of Guaranteed Minimum Pension (GMP)
- Pension Ombudsman sample cases
- Legislative updates
- Firefighter Pensions England bulletins
- Response to The Pensions Regulator survey 2020
- Response to LGA Administration Strategy consultation
- Impact of COVID19 on pension services and mitigations (including Protected Pension Age)
- Update on Government position regarding Qualifying injury adjustments (to reflect COVID19 deaths)
- McCleod / Sargeant decision and proposed remedy
- Application of the O'Brien ruling on the Retained Duty System (Modified) scheme

- 3.4 The Activity report (submitted to each meeting) includes detail on the number of;

- pension scheme members across the various schemes
- number of new scheme members

- retirees
- pensioner members
- deferred members
- IDRPs stage 1 and 2 complaints
- Opt-outs
- Pension estimates requested / processed
- Compliance and complaints

3.5 Each agenda also includes the following standing items;

- legislative update (see section 10.)
- scrutiny and review (including discretions, breach and risk registers)
- Pensions ombudsman cases (see section 9.)

4 Specific investigations and Board resolutions

4.1 A summary of the areas considered during 2020 – 21 which warranted further investigation and action and the relevant outcomes are detailed in the table below.

Meeting	Summary	Outcome / resolution	Status
28 January 2021	Gap analysis of The Pensions Regulator (TPR) self-assessment results	To be submitted to the next subsequent meeting of the Board	
	Benchmarking of scheme members with other FRS' and Local Government Pension Scheme	To be included in future Activity reports (with additional information on gender and dual contracts)	

5 Conflicts of interest

5.1 As statutorily required, members of the Local Pension Board complete a Declaration of Interests. The register is maintained by the West Yorkshire Fire and Rescue Authority Committee Services section. Members of the Board reviewed their Declarations in July 2020.

5.2 There have been no declarations made by any member, adviser or attendee at any meeting of the Board during the relevant period.

6 Identified Risks and areas of concern

6.1

Meeting	Summary of risk	Outcome / resolution	Status
24 July 2020	Impact of auto-enrolment on scheme members / membership	Advice given to Members	
28 January 2021	McLeod and Sargeant remedy – impact on resources	Full-time Pensions Assistant post to be advertised. Additional payroll support required. <i>(Looking at options as to whether someone is employed on a fixed-term contract or outsource the work to a partner agenda ie. Kirklees MC)</i>	

7 Expenses and Costs

- 7.1 There has been no expenditure or costs incurred within the relevant period for the administration of the Board.
- 7.2 The Chair of the Board and Pensions Manager attended a free Public Sector Pensions webinar on 25 January 2021.

8 Gifts and Hospitality

- 8.1 There have been no declarations of gifts or hospitality received by Members of the Local Pension Board during the relevant period.

9 Training

- 9.1 It is a statutory requirement of the Public Service Pensions Act 2013 that members of the Local Pension Board should have the capacity to become conversant with, and develop a knowledge of, detailed related issues in order to effectively carry out their duties.
- 9.2 The following training has been provided during the course of the year to Local Pension Board members;
- Pensions Regulator e-learning package
 - Monthly bulletins from LGA Pension Advisory Service
 - LGA National training programme – update / refresher training

- 9.3 One standing item on the Local Pension Board agendas is consideration of relevant Pension Ombudsman cases. The summaries provided and Ombudsman decisions serve as a learning tool for LPB members.
- 9.4 Members completed a self-assessment issued by TPR – an analysis was subsequently reported back with proposed remedies / actions (see paragraph 4.1).

10 Legislative updates

- 10.1 As a statutory requirement, members of the Local Pension Board have been provided with regular legislative updates.
- 10.2 The following have been provided during the relevant period;
- Age discrimination legal challenge and remedy
 - RDS (Modified) – application of O'Brien ruling
 - Statutory instrument updates
 - Protected Pension Age – COVID19 relaxation
 - Compensation scheme (qualifying injury and COVID19)
 - Exit payments
 - Equalisation of Guaranteed Minimum pension (GMP)

11 Scrutiny and review

- 11.1 Members are required to scrutinise areas relevant to the administration of the Firefighters' Pension Schemes.
- 11.2 The following areas were scrutinised during the relevant period;
- Pension Risk and breaches policy
 - Discretions
 - Breaches register
 - Pension Risk register
 - Compliance deadlines



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Self-assessment questionnaire - gap analysis

Local Pension Board

Date: 23 April 2021

Agenda Item:

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Submitted By: Chief Executive and Chief Fire Officer

Purpose

To note the results of the gap analysis undertaken in response to the completed Local Pension Board member self-assessment questionnaires.

Recommendations

That the report be noted and action agreed as appropriate to address any areas of concern.

Summary

Members were circulated with a Local Pension Board self-assessment questionnaire produced by The Pensions Regulator to identify any gaps in either the knowledge of members or in the performance of the Board in meeting its statutory duties. This report now presents a gap analysis of the questionnaire results.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Self-assessment questionnaire – gap analysis

1 Introduction

- 1.1 A self-assessment questionnaire was made available for members of Local Pension Boards to identify any gaps in their knowledge or any perceived gaps in the fulfilment of the Board's statutory duties.

2 Information

- 2.1 The anonymised results from Members were considered at the 28 January 2021 meeting of the Local Pension Board.
- 2.2 Members resolved that, recognising the fact that there were several 'quick wins' in response to the results, a gap analysis be undertaken by the Scheme Manager, the Pensions Manager and the Committee Services Manager and any shortfalls be remedied.
- 2.3 This report invites Members to consider the gap analysis and agree any actions to be taken to ensure that everything practicable is done to close any identified gaps in knowledge.

3 Financial Implications

- 3.1 There are no financial implications arising from this report.

4 Human Resource and Diversity Implications

- 4.1 There are no human resources or diversity implications arising directly from this report.

5 Health, Safety and Wellbeing Implications

- 5.1 There are no health, safety and wellbeing implications arising from this report.

6 Environmental Implications

- 6.1 None arising from this report.

7 Your Fire and Rescue Service Priorities

- 7.1 Keeping Members abreast of the performance of the Board and also an awareness of any gaps in knowledge is demonstrative of the Board's commitment to the Authority's Your Fire and Rescue Service priorities 2019 – 22.

Governing	Yes	No	Don't know	Comment
1. Have you clearly defined and recorded the roles and responsibilities of the pension board?	4			As set out in the Terms of Reference
2. Have you published information about the pension board and ensured it is kept up to date?	4			All papers published on the WYFRS website. Membership information reviewed annually or as required.
3. Do you have policies and arrangements in place to help pension board members acquire and retain the requisite knowledge and understanding?	4			<ul style="list-style-type: none"> a) Expectations set out in appointment letters and in advertisement for new Members b) Included in the Terms of Reference c) Encourage LPB Members to attend LGA training d) Invite LGA to LPB meeting at least annually and request training refreshers e) Technical legislative update is provided at every LPB meeting
4. Do you use the following for your pension board;				
- Training plans	3	1	1	<ul style="list-style-type: none"> a) Arrange annual LGA update training (July) b) Routine agendas include the following as standard items which serve as a training tool; <ul style="list-style-type: none"> • Ombudsman cases • Legislative reports • Bulletins c) Circulate regular reminders about The Pensions Regulator training modules d) include member training update on each agenda as standing item

Governing cont.,	Yes	No	Don't know	Comment
- Individual training needs analysis	2	1	2	a) Training offered to all Members or on request b) Results of this self-assessment used for individual training needs analysis c) regular review of Member development records
- Training log	2		3	Development records are maintained for each Board member
5.Do you have a conflicts policy and procedure for members?	2	1	2	a) Included in Terms of Reference b) Have individual register of interests (published) c) Opportunity given at each meeting to declare interests
6.Do you have a register of interests?	4	1		One for each member which is updated annually or on appointment whichever is the sooner

Managing risks and issues	Yes	No	Don't know	Comment
7.Do you have procedures in place for assessing and managing risk?	4	1		Pensions Risk Register (maintained by Pensions Manager) which is a standing items on the LPB agenda
8.Do you have a risk register?	4	1		Yes – reported at each meeting under Scrutiny and Review
9.Where you have outsourced services, how do you ensure providers demonstrate they have internal controls in place?	4	1		a) Covered by the Key Performance Indicators reported into each meeting and by Service Level Agreement. b) Circulate both to members as reported 7/7/17 **
10.Do you have a Service Level Agreement or equivalent in place with your scheme administrators whether in-house or outsourced?	3	1	1	As above SLA agreed / reported 5/10/18
11.Are your internal dispute resolution arrangement clearly communicated to members and others	3	1	1	a) IDRPs outcomes reported to each meeting. b) Circulate process as reported on 5/1/17 and 21/1/19 c) Signpost TPR training link **
12.Do you have procedures in place to identify, assess and report breaches of the law?	4	1		a) Circulate policy 5/7/19 and signpost TPR training module b) Maintain breaches register - reported at each meeting c) Approval of register 11/1/19 **

Administration	Yes	No	Don't know	Comment
14. Do you have a process in place to ensure information is provided to the TPR as required (eg. Through scheme return?)	3	1	1	Compliance deadlines and performance reported regularly.
15. Do you have processes to monitor scheme records for membership types on an ongoing basis and ensure they are accurate and complete?	4	1		Included in each activity report. (More detailed information sought by members at 28.1.21 meeting for inclusion in future reports)
16. Do you have controls in place to ensure that your employers provide timely, accurate and complete data?	4	1		Submit data to WYPF on a monthly basis. To minimise data protection breaches this is all done electronically. The data is cross-referenced and any errors are immediately flagged up to WYFRS for remedial action.
17. When did you last carry out a data review exercise?	2 *		3	a) Last reported 31.1.20. b) WYPF check our data on a monthly basis, Any issues identified are flagged up immediately and rectified by WYFRS.
18. Where you have identified poor quality or missing data, do you have an improvement plan to address the issues?	3		2	WYPF have an improvement plan in place to ensure that any errors are rectified immediately.
19. Do you have systems in place for monitoring scheme contributions, resolving issues and assessing whether to report payment failures to TPR?	4		1	Yes. Contributions are reported on a monthly basis to our administrators. They are checked and verified, any anomalies are immediately brought to the Pension Manager's attention.

Administration cont.,	Yes	No	Don't know	Comment
20. Have you reviewed your processes for issuing annual benefits statements to ensure they are fit for purpose?	4	1		Yes. ABSs are reviewed on an annual basis by our administrators. Tweaks are often made following feedback from members.
21. Have you taken steps to ensure member communications are clear, accurate and easily accessible?	4		1	All major communications come via LGA's comms group. They go through a process to ensure the information is fact-checked to ensure accuracy. They also ensure that the information is in Plain English and try to minimise jargon where possible.
<p>NB Comments in red indicate proposed additional actions to be taken (submitted for Member approval)</p> <p>**indicates that this will be included in a revised induction pack</p>				



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Firefighter Pensions Bulletins 41 - 43

Local Pension Board

Date: 23 April 2021

Agenda Item:

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Submitted By: Chief Employment Service Officer

Purpose	To inform Members of the contents of the bulletins published since the last Local Pension Board meeting.
Recommendations	That the report is noted and any actions arising from the bulletins are acted upon (where appropriate).
Summary	Included in this report are the actions arising from each bulletin and an update of the status of the actions.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: None

1 Introduction

- 1.1 The Local Government Association (LGA) produces a monthly bulletin which provides pension practitioners with updates on various pension-related issues.
- 1.2 The bulletins are sent to Administrators, Scheme Managers, FRA pension contacts and LPB chairs as a matter of course.
- 1.3 There is an expectation of Members to scrutinise each bulletin and seek assurance from the Scheme Manager that all actions arising have been identified and acted upon.
- 1.4 Since the last LPB meeting in January 2021, there have been 3 bulletins published by LGA, actions arising from which can be found in the section below.
- 1.5 Copies of the bulletins have been circulated to Board members on receipt.

2 Information

2.1.1 [FPS Bulletin 41 – January 2021](#) had a one action for the FRA and LPB.

2.1.2

Action	FRA/Administrator	Status
Scheme managers and LPBs to consider the six key processes factsheet , assess which they have in place and take action to address any gaps.	FRA	To consider

2.2.1 [FPS Bulletin 42 – February 2021](#) had a one action for the FRA.

2.2.2

Action	FRA/Administrator	Status
FRA's should read the draft data collection guidance and consider any processes or additional resources that need to be put in place to identify the data required, in advance of the standard template being provided.	FRA	Complete

2.3.1 [FPS Bulletin 43 – March 2021](#) had no actions arising, the content was purely for information.

2.3.2

Action	FRA/Administrator	Status
FRAs should be working towards submitting audited 2019/20 and unaudited 2020/21 pensions income/expenditure data as part of this year's top up grant claim to the Home Office.	FRA	Complete