



LONDON FIRE BRIGADE

MINUTES

LOCAL PENSION BOARD

DATE	Monday, 18 March 2024	TIME	2.00 pm
VENUE	LG-01 - Lower Ground Floor, 169 Union Street, SE1 0LL		

Minutes of the proceedings of the meeting of Local Pension Board held LG-01 - Lower Ground Floor, 169 Union Street, SE1 0LL on Monday, 18 March 2024

Present:

Clair Alcock, Independent Member
Nick Davis, Deputy Assistant Commissioner, Training and Professional Development
Daniel Kipling, Deputy Assistant Commissioner, Learning and Professional Development
Charlie Pugsley, Deputy Commissioner/Operational Director for Prevention, Protection and Operational Policy
Gareth Beeton, Regional Chair, FBU
Jon Lambe, Regional Secretary, FBU
Clive Robinson, Fire Officers' Association
David Shek, Executive Committee member, FBU

In Attendance:

Adrian Bloomfield, Assistant Director, Finance
John Crowhurst, LPPA
Yvette McEntee, Solicitor, Employment and Litigation
Rory Murphy, Finance Administration Manager
Kat Pilarska, Pension Analyst
Ozu Okere, Governance Manager

1. Welcome

The Chair welcomed everyone to the first meeting where she was presiding as the independent Chair and introductions were made.

2. Apologies

Apologies for absence were received from Keely Foster, Assistant Commissioner, Learning and Professional Development (Employer side).

3. Declarations of Interest

There were no declarations of interest or breaches of the law declared.

4. Minutes and Actions arising

The minutes of the meeting held on 5 December 2023 were agreed as a correct record and the actions log duly updated and noted.

5. Membership and Terms of Reference

The Local Pension Board noted the updated terms of reference and the membership.

6. Chair's Update

The Chair confirmed she had now met with a number of London Fire Brigade personnel since taking up her appointment to get an understanding of the substance of the Board. She then provided the following update:

- The Pension Regulator's single code around governance – it would be good practice for the Board to adopt this code in its role to assist the London Fire Commissioner (LFC) as the pension Scheme Manager. Another useful skill for the Board to have around governance is the five 'S' - support, stewardship, strategy, stretch and scrutiny.
- Tax treatment of remedy arrears payments – HM Revenue and Custom (HMRC) has confirmed interest on pension arrears and lump sums will not be treated as compensation so tax will be payable. As this is a new and emerging issue, it is not clear how the calculations will be made. The Deputy Commissioner/Director for Prevention, Protection & Operational Policy asked that communication around this should happen sooner rather later so it does not come as a surprise for those about to retire. Concern was expressed that this sudden decision by HMRC penalised firefighters.

The Chair agreed she would write to the Scheme Advisory Board (SAB) with concerns about this late information to pension schemes. She added that the Communications working group should take its lead from any communications on the matter from the National Fire Chiefs Council and work with LPPA on how best to communicate the information to members.

- Immediate Choice Remediable Service Statement (ICRSS) – In response to clarification sought by the chair, the Finance and Administration Manager confirmed that ICRSS had not been made for London. The Assistant Director, Finance suggested that the Chair sends a letter to the SAB about it. The Deputy Commissioner/Director for Prevention, Protection and Operational added that it be covered under the Pension Risk Register.

[Post-meeting – The Chair sent out a PowerPoint presentation of her update report as well as detailed information on tax treatments of remedy arrears payments]

7. LPB-065 Firefighters' Local Pension Board - Update Report

The Chair asked that this item be dealt with as confidential, so John Crowhurst, Local Pension Partnership Administration, left the room for this part of the meeting.

The Assistant Director, Finance introduced the report highlighting the key point was to agree to remain with the LPFA/LPPA for the LFC's firefighter pension scheme administration; and that the arrangements be reviewed again in three years' time. He stressed that this was important whilst the LFC was in the midst of resolving the pension remedy. He confirmed that the decision would not require approval of the London Fire Commissioner. The Board noted that the cost base was rising due to the pension remedy but this was in step with other sectors.

A discussion ensued regarding service standards and management of the pension remedy. It was agreed that further action was required to ensure that sufficient measures were in place to address ongoing matters regarding the pension remedy to the satisfaction of the Scheme Manager. In response, the Assistant Director, Finance confirmed that there was something in place but not in the form as set out by the Chair. He agreed that conversations on what service the LFC wants would need to commence soon as the next milestone in the pension remedy is in March 2025.

The Board supported the proposal.

The Chair asked that a request be made to LPPA for a position statement of the last six months, and that the Board begins to consider putting together a strategy on what it expects from LPPA; and agree the complaint process in place between the LPPA and the Scheme Manager.

The Assistant Director, Finance also highlighted LGA training available for members, and the Chair confirmed she intends to attend and urged members to attend noting that three of the training events are scheduled to be held online.

The Local Pension Board noted the report.

John Crowhurst was called back into the meeting.

8. Local Pension Partnership Update

John Crowhurst, Operations and Commercial Director LPPA provided a verbal update on the work of the Local Pension Partnership in Q3 as set out in Appendix 3 of the Update Report (under item number 6 on the agenda). He drew attention to key highlights including casework performance which was going well with average processing time now only four days from receipt of all information. The Helpdesk performance is also a positive story with wait time range of over 15 minutes now down to 0.8% from 35% in January 2023. He confirmed that the data quality information continues to be sent out a quarterly bases so the volatility that exists can be seen. He would work in liaison with the Assistant Director, Finance, on the type of data which would be reported to the Board in the future and which would include the amount of time taken to apply the pension remedy.

The Chair sought clarification on whether guidance from the Local Government Association on how to share and monitor records has been taken into account. In response, the Finance and Administration Manager confirmed the Scheme Manager relies on LPPA for data accuracy. The Chair then asked that a monitoring record and data policy be put in place to ensure accuracy of data. The Assistant Director, Finance confirmed there have been discussions with The Pension Regulator about policies and it was agreed that the LFC would put in place just one policy for pensions that will cover off each of the key areas. There followed discussion about understanding the difference between data quality and experience of scheme members around the pension remedy. The Chair added that data scoring guidance from the LGA looks at these in some depth and recognises that additional work could be done to draw out the necessary information. John Crowhurst added that the LPPA is working closely with the LFC and data is coming across in a timely fashion for staff currently retiring. He asked that the LPPA be given as much notice as possible of staff coming up for retirement. As such, work on all retirees is moving in the right direction and whilst the pension remedy is a complex process, he recognised that the key to its success is to work together. He added that an update on retirees will be included on the performance report.

The Board sought clarification on how the LPPA Helpdesks works as scheme members have raised concerns about receiving contradictory advice each time calls are made. In response, John Crowhurst informed the Board asked that the telephone numbers of callers who have experienced such advice be sent so they can be reviewed, and any necessary remedy put in place. He confirmed that the LPPA is trying to do more and asked that all complaints be referred to LPPA and agreed to send through the process for escalation of complaints.

The Chair also sought clarification on the cause of the high scores for the CARE (Career Average Revalued Earnings) scheme data and John Crowhurst said he would send the information through.

Further to discussion it was noted that there had not been a significant increase in calls to the Helpdesk in October at the start of remedy but further work could be undertaken to split calls between general and remedy queries. It was further noted that this was the first time customer satisfaction figures were LFB specific.

The Chair added that additional information will be required to help understand the impact and the position of the remedy work. This could be a joint piece of work between the LPPA as administrator and the LFC as Scheme Manager. She also asked for a dashboard to inform on the work and data on 'business as usual'. However, more pressing is the Immediate Choice RSS (IC RSS) and the Annual Benefit Statement RSS (ABS RSS) to see how much data has been supplied across both and to understand whether both or just one is reflected on the dashboard which should show clearly how many IC RSS had been completed.

The Chair also sought an update on progress made against the timetable set for completion of ill health assessments and whether those completed are realistic. She informed the Board that the LGA issued a remedy self-assessment guidance in June 2023; and that this would be a good audit to complete between now and the next meeting in June and to have it tabled as a paper for the June meeting.

In response to clarification sought for a plan in place for added pension refunds and whether any had been made, John Crowhurst said he would send out the information.

The Chair thanked John Crowhurst for the helpful update.

9. LPB-066 Firefighters' Local Pension Board - Provision of Information

The Assistant Director, Finance introduced the report highlighting especially that membership numbers of the pension scheme were still of concern especially with women and Black and Ethnic Minority employees more likely to opt out of the scheme. He referred to the joiners opt out figures as set out in Appendix 1 of the report and the aim is to make sure those opting out do so from an informed decision.

The Assistant Director, Finance confirmed that the first contingent decision claim has gone through and there was a lot of learning from the process, but it is expected to see an increase in the number of such claims. The Chair agreed that it would be useful to understand and track contingent decision claims especially with regards to those people who have opted out of the pension scheme. In response to a question from the Chair about whether there has been an administrative update on contingent decision claims, John Crowhurst confirmed he was not aware of such an update but would find out. The Assistant Director, Finance confirmed that contact has been made with opt out members but proving difficult to contact those who have left the organisation.

The Local Pension Board then noted the report.

10. LPB-067 Firefighters' Pension Scheme Risk Plan

The Chair noted the two added risks of cyber security (R21) and pension remedy (R24) to the Local Pension Board risk plan. The Assistant Director, Finance added that the risk plan was an area that needed to be addressed and suggested holding a workshop to do so.

The Local Pension Board then noted the report.

11. Board Working Group Updates

The Chair informed the Board she had met with the Communications working group and is scheduled to meet with the Chair of the Equality working group, Assistant Commissioner, Operational Resilience and Control. The aim is to get a better understanding of the work being undertaken by both working groups to encourage take up of the pension scheme.

The Pension Analyst provided an update of the work undertaken with the Equalities Group and Positive Improvement Team who run LFB Women's Forums. In-house presentations were organised about pension benefits for those staff groups with greater propensity to opt out of the pension scheme. These have proved successful, but she informed the Board that more resources would be required to reach a wider audience and suggested the use of videos and Teams. The Assistant Director, Finance added that the sessions have been very good and informed the Board that Home Office funding could be accessed to create the videos.

In response, the Chair said she would be happy to engage with this and would work with the Chair of the Equality working group. She suggested a communications sub-group be created to discuss options available about communications, and Andrew Cross to present on it at next LPB meeting.

The Chair thanked all for the update.

12. Any Other Business

(i) Training – The Chair expressed the wish for a full Board training session which would include a look at the Local Pension Board's risk plan. It was agreed that the training should happen outside of the normal Board meeting and before the next meeting in June. The Chair added that she would try to get The Pension Regulator to attend the training session. Following discussion, it was agreed that the training would last a half day and Hammersmith Fire Station was a suggested location. Consideration to be given to inviting scheme members from that station to hear their view about the scheme.

The Clerk to meet with the Chair to agree possible dates for the training session.

(ii) Local Pension Board, Annual Report – The Finance and Administration Manager informed the Chair of the requirement to do the annual report before the next meeting in June. The report would also be scheduled for the Commissioner's Board, Fire and Resilience Board and Audit Committee. He added that it was for the Chair to decide what she would want in the report. In the past, the report had looked backward in reporting on what had happened in the past year but this report could also set out the vision of the independent Chair. The Chair said that she would look at this after the training session is held.

(iii) Two things pension administrator and Scheme Manager would have done differently before 01 October 2023 (when payment of pension remedy commenced) –

- (a) LPPA – John Crowhurst confirmed that the biggest challenge had to do with data extraction, so would have spent more on information that was being scrutinised; and put in place better communication to members.
- (b) LFB – The Assistant Director, Finance confirmed that the single biggest issue was the age of the Brigade's payroll system so there should have been more of a push to have an updated system. Communications piece would have been done differently, raised more issues with the Advisory Board and investigated options sooner of working with the LPPA IT team.

13. Date of Next Meeting

The next meeting of the Local Pension Board was scheduled for Tuesday, 11 June 2024.

The meeting ended at 15:57

Ozu Okere
Clerk to Local Pension Board