

MINUTES of the meeting of the **SURREY LOCAL FIREFIGHTERS' PENSION BOARD** held at 10.00 am on 26 October 2017 at Chapel, St David's.

These minutes are subject to confirmation by the Board at its meeting on 29 March 2018.

Elected Members:

- * Nick Harrison (Chairman)
Richard Jones
- * Glynn Parry-Jones
- * Sally Wilson

* present

9 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Richard Jones.

The Board welcomed Sally Wilson who was newly appointed as the Vice-Chairman.

10 MINUTES FROM THE PREVIOUS MEETING: [Item 2]

Key points raised during the discussion:

1. The Chairman advised that today's agenda comprised reports on recommendations from the previous meeting with exception of the presentation outlining the process for making contribution deductions. To compensate for this the Board requested a briefing to be prepared by the respective financial officer and circulated to members ahead of its next meeting.
2. It was noted a recommendations tracker would be prepared to enable Board members to follow progress more effectively.

Actions/ further information to be provided:

The finance officer to provide the Board with a briefing outlining the process for making contribution deductions in advance of the next meeting.

Recommendation:

The minutes from the previous meeting were agreed as an accurate record of the meeting.

11 DECLARATIONS OF INTEREST [Item 3]

None were received.

12 QUESTIONS AND PETITIONS [Item 4]

None were received.

13 ADMINISTRATION UPDATE: 1 JANUARY 2017 - 31 AUGUST 2017 AND DATA QUALITY REVIEW VERBAL UPDATE [Item 5]

Declarations of interest:

None

Witnesses:

Jason Bailey, Pensions Lead Manager
Lindsey Shaw, Workforce Information Officer
Eric Jameson, Senior Pensions Officer

Key points raised during the discussion:

1. Officers introduced the report by outlining the main changes including the overall size of membership and number of active members within the main three Firefighter Pension Schemes (FPS).
2. The Board noted that 347 members had transitioned across to the new CARE scheme and this would be expected to increase when other members transitioned away from the older schemes.
3. It was stated that 6 new firefighters had been appointed since 1 January 2017 and only one chose not to opt out of the Pension Scheme.
4. Officers assured that there were no significant concerns for the new employees opting out of the pension scheme as the reasons provided in Annex 2 (page 13 of the agenda papers) did not present any underlying issues.
5. The Board recognised the efficient administration performance for processing FPS retirements, paying 23 out of 24 members within 10 days.
6. The Workforce Information Officer in attendance was commended for meeting with members on a one to one basis to support good standards.
7. Officers advised that the Local Government Pension Scheme (LGPS) had recently revised its KPI's, extending the range of tasks that were reported and incorporating all of the main areas of work. Revised performance measures for the FPS will be designed and made available at the Board's next meeting for approval.
8. It was reported 38 out of 47 members were successfully paid in the March 2017 payroll as a result of the contributions holiday exercise. The remaining members were paid in the following months once claim forms were received.

9. Officers explained a tax return report would follow in January 2018 as the changes applied retrospectively in December 2006. Therefore all transactions would need to be checked to confirm correct payments and organise the return of any unauthorised payments.
10. Officers informed the Board a specialist external provider, ITM Ltd were employed to carry out GMP reconciliation work and an update report would be available at the next Board meeting.
11. Members queried what implications could arise out of the GMP reconciliation process and were advised that there was a potential risk of overpayment or underpayment on the basis of operating on an incorrect element of GMP.
12. Officers confirmed that costs associated with the work on the GMP reconciliation exercise would be met by the annual recharge to the Surrey Fire and Rescue service.
13. It was reported that the Administration Service was working with the Information Governance team to understand any changes required to ensure compliance with the new legislation around General Data Protection Regulations (GDPR). Officers explained this could possibly involve work in setting out improved data protection policies specifically around pensions and any changes would be provided at the next Board meeting.
14. It was noted that the online portal was undergoing an upgrade to resolve issues with benefit projections and a follow up communication would inform members when it would be fully functional again. The Board commended the online portal facility and feedback suggested it had been well received.
15. It was highlighted that the validation of member records primarily concerned deferred members. Officers informed the Board that the Administration Service was engaging with an external provider, Call Credit, to check the validity of the addresses the service holds for members. Work will be carried out early November 2017.
16. Officers advised that training was in place to be delivered between now and March 2018 to support and improve administration functions for the FPS. The Board requested a further update report on the progress of the training programme.
17. Officers noted concerns in relation to communication and assured the Board the online portal would be used as a platform to improve correspondence with members of the FPS.

Actions/ further information to be provided:

1. Officers to provide the new Key Performance Indicators report at the Board's next meeting.
2. The Board to receive an update report on the Contributions Holiday Exercise to report any tax return at its next meeting.

3. Officers to provide a GMP reconciliation update report for the next Board meeting.
4. Officers to provide a GDPR update report for the next meeting.
5. The Pensions Services Manager to communicate the roll out of the online portal once upgraded to enable officers and Station Representatives to publicise and offer guidance to firefighters'.
6. Officers to report progress of the administration service training programme at the next meeting.

Recommendation:

The Board noted the content of the report.

14 INTERNAL DISPUTE RESOLUTION PROCEDURE [Item 6]

Declarations of interest:

None

Witnesses:

Jason Bailey, Pensions Lead Manager
Lindsey Shaw, Workforce Information Officer
Eric Jameson, Senior Pensions Officer

Key points raised during the discussion:

1. The Board asked officers to clarify the timescales reported in paragraph 14 (page 17 of the agenda papers) and whether this applied for both Stage 1 and Stage 2 complaints.
2. Concerns were raised with the delays in reaching decisions and members referred to an earlier Stage 1 case put forward on 24 May 2016 which then concluded 10 months later on 28 February 2017.
3. There was a discussion around the current Stage 2 dispute which was made on 17 July 2017 and the Board was informed the hearing would take place on 8 November which presented further concerns around delays in the process.
4. The Board agreed that the breach should be reported to the Pensions Regulator however suggested deferral until the current dispute was resolved on 8 November 2017.
5. The Board supported officers in encouraging an informal dispute process where complaints could potentially be resolved in the first instance.

Actions/ further information to be provided:

Officers report the breach to the Pensions Regulator once the Stage 2 complaint has been heard on 8 November 2017.

Recommendations:

The Board noted the content of the report.

15 DRAFT RISK REGISTER [Item 7]

Declarations of interest:

None

Witnesses:

Jason Bailey, Pensions Lead Manager
Lindsey Shaw, Workforce Information Officer
Eric Jameson, Senior Pensions Officer

Key points raised during the discussion:

1. Officers supported the view to include GMP reconciliation within the risk register as this imposed a possible risk going forward.
2. The Board raised concerns with work reform and the changes that could potentially impact the FPS if implemented and requested that the risk register consider this also.
3. Officers were asked to clarify why data improvement (risk F1) was scored considerably low on the risk register. Officers explained that the data was managed by business operations and disruption could effectively be controlled as it was in house.
4. The Board noted that the Administration Service was working with a reputable provider to ensure system efficiency to treat risk F4 and a disaster recovery plan was in place in an event of a disruption.
5. Concerns were raised that risk F6, failure to recognise and manage conflicts of Board members was too high and officers were asked to reassess the risk score.
6. It was highlighted that staff training was underway and once complete, risk F8 would effectively reduce.
7. The Board expressed the view that the failure to administer the scheme in line with regulations and policies, risk F9, could potentially be a greater risk than anticipated and suggested that the risk score was too low as a starting point.

Actions/ further information to be provided:

None

Recommendations:

1. The Board noted the content of the report and made the following recommendation,

- a) Officers to amend the Surrey FFPS Risk register to include GMP reconciliation and work reform, and reassess the scores for risks F6 and F9.

16 ANNUAL BENEFIT STATEMENT REVIEW 2017 AND BREACH VERBAL UPDATE [Item 8]

Declarations of interest:

None

Witnesses:

Jason Bailey, Pensions Lead Manager
Lindsey Shaw, Workforce Information Officer
Eric Jameson, Senior Pensions Officer

Key points raised during the discussion:

1. Officers highlighted that the 523 annual benefit statements identified for 2016/17 were issued 13 days outside of the deadline. The delay was caused by the pension administrator's system provider, Heywood.
2. The Board agreed that the breach of the late issuance of annual benefit statements for 2016/17 to be reported to the Pensions Regulator.
3. Officers agreed to provide the chairman with a copy of the breach report for reference.
4. Members mentioned the recent training they attended for the Local Government Pension Scheme and asked officers to explore training opportunities for the FPS as it would be useful going forward.
5. Alongside the breach report officers stated that assurances will also be given to show an improvement plan is in place including providing annual benefit statements online as an alternative to distributing paper copies.

Actions/ further information to be provided

- The Pensions Services Manager to report the late issuance of annual benefit statements to the Pensions Regulator providing the Chairman with a copy.
- Officers to explore training opportunities for the Board to develop a wider understanding of the Firefighters' Pension Scheme.

Recommendations:

- a) The Board noted the content of the report.
- b) The Board noted that a breach will be reported to the Pension Regulator.

- c) The Board recommends that a project report on the production of annual benefit statements for 2017/18 be brought to the Board at its next meeting.

17 DATE OF THE NEXT MEETING [Item 9]

The Board discussed whether to meet more frequently as members shared the view two annual meetings was not sufficient to effectively review reports. The Board proposed to meet three times a year and agreed to review this decision at its next meeting.

The date of the next Local Firefighters Pension Board meeting will be held on Wednesday 29 March 2018.

Meeting ended at: 11.15 am

Chairman