

Notice of Meeting

Surrey Local Firefighters' Pension Board



Date & time	Place	Contact	Acting Chief Executive
Thursday, 26 October 2017 at 10.00 am	Surrey Fire and Rescue Service Headquarters Croydon Road Reigate, Surrey RH2 0EJ	Sharmina Ullah Room 122, County Hall Tel 0208 213 2838 sharmina.ullah@surreycc.gov.uk	Julie Fisher

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Sharmina Ullah on 0208 213 2838.

Employer Representatives

Mr Nick Harrison (Employer Representative (Firefighters' Pension Scheme)) (Chairman),
Vacancy

Member Representatives:

Richard Jones (Employee Representative (Firefighter's Pension Scheme)) and Glynn Parry-Jones (Employee Representative (Firefighters' Pension Scheme))

TERMS OF REFERENCE

The role of the Local Firefighters' Pension Board as defined in the draft Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, is to assist the Fire and Rescue Authority scheme Manager:

a) to secure compliance with:

- i) the scheme regulations;
- ii) any other legislation relating to the governance and the administration of the Firefighters' Pension Scheme and any other connected scheme;
- iii) any requirements imposed by the Pension Regulator in relation to the Firefighters' Pension Scheme

b) to ensure the effective and efficient governance and administration of the Firefighters' Pension Scheme

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

The Chairman to report apologies for absence.

2 MINUTES FROM THE PREVIOUS MEETING:

(Pages 1
- 6)

To approve the minutes of the meeting held on 9 February 2017 as a correct record.

3 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

Notes:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting, Thursday 19 October 2017.
2. The deadline for public questions is seven days before the meeting, Wednesday 18 October 2017.
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 ADMINISTRATION UPDATE: 1 JANUARY 2017 - 31 AUGUST 2017 AND DATA QUALITY REVIEW VERBAL UPDATE

(Pages 7
- 14)

Purpose of the report:

The Board is asked to **note** the content of this report and make recommendations if any further action is required.

6 INTERNAL DISPUTE RESOLUTION PROCEDURE

(Pages
15 - 30)

Purpose of the report:

The Board is asked to **note** the content of this report and make

recommendations if any further action is required.

7 DRAFT RISK REGISTER

(Pages
31 - 34)

Purpose of the report:

The Board is asked to **note** the content of this report and **approve** the draft Surrey Firefighter's Pension Scheme (FFPS) Risk Register (shown as Annex 1). The Board is further asked to make recommendations of any amendments to the Surrey FFPS Risk Register.

**8 ANNUAL BENEFIT STATEMENT REVIEW 2017 AND BREACH
VERBAL UPDATE**

(Pages
35 - 36)

Purpose of the report:

1. The Board is asked to **note** the content of this report.
2. The Board **notes** that a Breach has been reported to the Pensions Regulator (tPR).
3. 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

9 DATE OF THE NEXT MEETING

The Board to discuss when to meet next and agree a date.

**Julie Fisher
Acting Chief Executive**

Published: Wednesday 18 October 2017

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Thank you for your co-operation

MINUTES of the meeting of the **SURREY LOCAL FIREFIGHTERS' PENSION BOARD** held at 10.00 am on 9 February 2017 at Surrey Fire and Rescue Service Headquarters, Croydon Road, Reigate, Surrey, RH2 0EJ.

These minutes are subject to confirmation by the Board at its meeting in October 2017.

Board Members:

- * Mr Nick Harrison (Chairman)
- * Richard Jones
- * Mr John Orrick (Vice-Chairman)
- * Glynn Parry-Jones

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

There were no apologies and no substitutions.

The Board welcomed John Orrick who had been appointed as an employer representative.

2 MINUTES FROM THE PREVIOUS MEETING: 26 JULY 2016 [Item 2]

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

3 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest.

4 QUESTIONS AND PETITIONS [Item 4]

There were none.

5 GOVERNANCE SELF-ASSESSMENT AND FORWARD PLAN [Item 5]

Declarations of interest:

None

Witnesses:

Jason Bailey, Pensions Lead Manager, Shared Services
Neil Mason, Senior Advisor (Pension Fund), Finance
Eric Jameson, Senior Pensions Administrator
Lindsey Shaw, Workforce Information Officer

Key points raised during the discussion:

1. The Board was informed that the self-assessment format had been produced by the Pension Regulator, and was intended to assist Local Firefighter Pension Boards identify gaps in the governance of the scheme. It was highlighted that the Board members had all reviewed and completed training on the code of practice relevant to the administration of public sector pension schemes.

2. The Board was informed that the self assessment had identified a number of areas that needed addressing in respect to managing risks and issues, and administration. The papers set out a forward plan that would prioritise these actions.
3. The Board discussed the support provided by the Local Government Association (LGA), and proposed it would be useful to see what other Boards had done since their establishment.
4. The Board was told that pension administration was provided by Orbis. It was highlighted that there was an opportunity to put a formalised service level agreement in place to support the proposed improvements in governance. The Board noted that this would potentially see an additional increase in the cost of administering the scheme.
5. The Board queried the work pensions administration were undertaking to validate membership records. It was highlighted that this was being undertaken in the next financial quarter and efforts were focussed on tracing deferred members without a current address on their record. It was noted that the Fund had 100 deferred member records and it was estimated 20% of these had no current address. The Board expressed the view that any activity to trace these members should focus on key cohorts, for example those about to retire. Officers explained that the preference was to conduct a blanket screening of addresses, as this had benefits in terms of economies of scale and in demonstrating to the regulator that sufficient steps were being taken to trace members. The Board commented that the Fire Brigades' Union may be able to assist with updating member records.
6. The Board expressed interest in understanding the process for deducting contributions from Surrey Fire and Rescue Service and from members. It was requested that a colleague from Finance attended the next meeting to provide more detail in this regard.
7. The Board agreed to review progress against the forward plan in six months, the Chairman commented that the expectation was that the majority of actions identified would be addressed by that time.

Actions/ further information to be provided:

Board to review progress against the forward plan in six months time.

Board to invite a representative from the Finance team to outline the process for making contribution deductions.

Recommendations:

That the Pension Administration team co-ordinate efforts with the Fire Brigade Union in order to update deferred member records where required.

6 BREACHES POLICY [Item 6]

Declarations of interest:

None

Witnesses:

Jason Bailey, Pensions Lead Manager, Shared Services
Neil Mason, Senior Advisor (Pension Fund), Finance
Eric Jameson, Senior Pensions Administrator
Lindsey Shaw, Workforce Information Officer

Key points raised during the discussion:

1. The Board was informed that the breaches policy mirrored that for the local government pension scheme. It was noted that the draft policy would need to have a named responsible officer. The Board expressed a preference that this should be a representative from Surrey Fire and Rescue Service, as they would have an improved degree of visibility for members of the Fund.
2. The Board requested that training opportunities were offered to staff, and the information made available on the Fund website, in order to assist them in understanding what qualified as a breach and the process for reporting this.

Actions/ further information to be provided:

Officers to explore training opportunities for Surrey Fire and Rescue Services staff on the breaches policy.

Officers to update website once the breaches policy is approved.

Recommendations:

That, following the identification of a responsible officer, the breaches policy is submitted for final approval by the Audit and Governance Committee.

7 ADMINISTRATIONS STATISTICS [Item 7]

Declarations of interest:

None

Witnesses:

Jason Bailey, Pensions Lead Manager, Shared Services
Neil Mason, Senior Advisor (Pension Fund), Finance
Eric Jameson, Senior Pensions Administrator
Lindsey Shaw, Workforce Information Officer

Key points raised during the discussion:

1. The Board noted that the most significant changes in the statistics were the number of retirements, and those that had re-enrolled who had chosen to opt-out. The Board was informed that the support offer around retirement was considered exemplary in terms of advice.

2. It was noted that the delay in providing annual benefits statements had been caused by an internal administrative issue that the Pension Service was seeking to resolve.
3. Officers highlighted that expertise in the administration of firefighters pensions was not sufficiently widespread across the Pension Service, and that this had a potential to impact on resilience. It was noted that training was being delivered across the team to ensure these concerns were being addressed.
4. It was noted that Orbis also provided pension administration for East Sussex Fire and Rescue Service. The Board was informed that sovereignty for the governance of each fund remained with the administering authority, though there were areas where the funds could seek to work together, for example in developing service level agreements around pension administration.
5. The Board discussed the number of re-enrollments that subsequently opted out. It was noted that officers had concerns that members were choosing to opt out without recognising the value of the scheme benefits. The Board discussed a number of factors that influenced this, including the perceived high level of contributions and the decision by some to pursue other investment opportunities.
6. It was noted by the Board that some union members had reported feeling concerned about the long term security of their pension benefits, given the number of changes to the scheme in recent years. It was noted that the tapered protection arrangements would come to an end in 2022. Board members questioned whether the general trends around opt-outs could be monitored and reported to the relevant national bodies.
7. The Board discussed how communications could be tailored to explain the key benefits of the scheme to non-members. It was highlighted that the death-in-service grant would be an impactful aspect to focus on in this regard. The Board asked whether an additional section on pensions could be included on the staff intranet.
8. The Board was informed that calculating the contribution holidays would have a significant resource implication for the Pension Service. It was noted that the guideline completion date of 31 March 2017 had no statutory basis, and must be set in the context of the requirements for the modified retained options exercise. It was commented that both exercises required additional resource, and cases were being prioritised where appropriate.
9. The Board was informed that a similar modified retained options exercise had been conducted in East Sussex. On the basis of the response rate, the Pensions Service anticipated approximately 20% would take up the option to backdate their membership.
10. The Board was informed that the Pension Regulator had been informed of the delay in issuing annual benefits statements, and had advised that the expectation was that all funds would meet the 31 August deadline for 2016/17 statements. It was confirmed that the

annual benefit statements for 2015/16 would be issued by mid-February 2017. The Board proposed that the target date for issuing 2016/17 statements could be set as the end of July in order to give the Pensions Service a contingency buffer.

Actions/ further information to be provided:

The Board to be advised of progress in issuing the annual benefits statements for 31 July 2017.

The Board to receive an update on the completion of the contributions holidays exercise and the modified retained options exercise at its next meeting.

The Board to continue to monitor the number of members opting-out of the scheme and reasons for doing so.

Officers to update staff intranet with additional information about pensions benefits.

Resolved:

That the Board **note** the report.

8 DATE OF THE NEXT MEETING [Item 8]

The Board noted that it would meet in October 2017, dependent on Board member availability.

Meeting ended at: 11.45 am

Chairman

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Surrey Firefighters Local Pension Board 26 October 2017

Administration Update 1 January 2017 – 31 August 2017

Recommendations:

The Board is asked to **note** the content of this report and make recommendations if any further action is required.

Background

1. The terms of reference for the Board includes the duty to;

“...help ensure that the Firefighters’ Pension Scheme is managed and administered effectively and efficiently and complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pension Regulator”.

2. In order to help the Board to measure the effectiveness of the administration of the scheme a set of administrative functions from 1 January 2017 to 31 August 2017 and an update of performance and current issues is set out below and in the attached Annex.

Movements

3. Members will be aware that the volumes of movements within the main three Firefighter Pension Schemes (FPS) – the 1992 scheme, 2006 scheme and new CARE scheme - are low. For reference, current membership of the three schemes is shown overleaf.

<i>Scheme</i>	<i>Numbers of Active Members</i>
<i>1992 Final Salary Scheme (FPS)</i>	<i>151</i>
<i>2006 Final Salary Scheme (NFPS)</i>	<i>25</i>
<i>2015 CARE Scheme (with protections)</i>	<i>347 (includes transitioned members)</i>

- Only 6 new regular firefighters (plus 1 retained) have been appointed since 1 January 2017. The key areas of movement within the FPS since 1 January 2017 have therefore been as a result of retirements.

Retirements

- Annex 1 shows the administration performance in relating to FPS retirements. Of the 24 retirements in the period, 23 were paid within ten days of the member's actual retirement date. This is a useful comparator as it is the performance indicator used by the Surrey Pension Fund for the Local Government Pension Scheme (LGPS).

Re-enrolment and new joiners

- Annex 2 shows the current status of all new individual employments that have either commenced or been subject to re-enrolment under the Government's overarching auto-enrolment provisions since 1 January 2017.
- It should be noted all bar one of the members have opted out of the pension scheme, though there are varying reasons for this so it is not easy to draw any definitive conclusions with regard to possible underlying issues. Business Operations will continue to report these movements to the Board.

Current Issues

Contributions Holiday Exercise

- The Board may recall the Government issued legislation on 30 September 2016 to provide members of the 1992 scheme with a contributions holiday if they had achieved more than 30 years of membership prior to the age of 50. This change was applied retrospectively to 1 December 2006.
- Business Operations identified the numbers of cases who were affected (47) and contacted all members to submit a bank mandate and HMRC authorisation form with the aim of completing payment by the Government's target date of 31 March 2017.
- In the event, 38 of the members returned the mandate and claim form to enable payment to be made in the March 2017 payroll. The remaining cases

were paid on receipt of the relevant claim form as follows:- April (5); June (1); July (1); August (1); September (1).

GMP Reconciliation

11. The Board may be aware from previous updates that this exercise needs completing before 31 December 2018 when the HMRC will switch off their contracting out service. Business Operations previously appointed a data specialist company (ITM) to carry out the initial comparison of the FRS GMP records against HMRC records and a report was provided of the mismatches.
12. As the GMP reconciliation does not form part of the standard administration service, we carried out some investigation of the possible options for external support to assist with the reconciliation and have selected ITM to carry out an accelerated two month project with a view to making use of the analytical tools they have available as well as their existing relationship with HMRC from the work they have already undertaken in this area. The accelerated project will allow queries to be registered with HMRC ahead of the anticipated surge from other authorities as the deadline approaches.
13. Business Operations have been able to agree preferential terms with ITM because they are carrying out this work across a number of schemes we administer which means that the cost to the FRS for this stage of the project will be less than £ 1,000.
14. We will receive a full report from ITM at the end of October when the two month project is expected to be completed and we will update the Board on the outcome. This should provide a clearer picture of how much further work is likely to be involved in the reconciliation process and any further costs likely to be incurred.

General Data Protection Regulations (GDPR)

15. The Board may be aware of the above legislation which will come into force on 25 May 2018. GDPR imposes new obligations on data controllers and this will have a potential impact on pension scheme administrators as existing data protection provisions need to be reviewed.
16. Business Operations is engaging with the County Council's information governance team to understand the requirements and any revision to current practice which will need to be implemented before May 2018. A full report will be provided to the next Board meeting.

Online Portal

17. Business Operations have previously indicated that they intend to make an online portal available for Firefighters. Although this is currently available for LGPS members, the testing of the portal for the Firefighters schemes revealed a number of issues with the benefit projection facility which need to be resolved by the software supplier, Heywood.
18. An upgrade to the portal to fix these errors is due to be delivered in late October 2017 and, provided the testing proves successful, the intention is to roll out the portal to Firefighters before the end of the year.
19. As well as providing firefighters with the facility to calculate their own projections based on a variety of prospective retirement dates, this will allow Business Operations to publish the annual statements online in future which should help ensure the statutory deadline can be met in future years.

Next steps

20. The Board is asked to note the update and statistics provided in Annex 1 and 2 and consider if any changes or additions in future reports could further assist the Board in monitoring of administration performance.

Report contact: Jason Bailey, Lead Pensions Manager

Contact details: T: 020 8541 7473 E: jason.bailey@surreycc.gov.uk

Sources/background papers:

Surrey Local Pension Board Terms of Reference

Annexes:

1. Retirements 1 January 2017 to 30 September 2017
2. New Joiners from 1 January 2017

FIREFIGHTERS' PENSION SCHEMES - PENSIONS INTO PAYMENT JANUARY 2017 TO SEPTEMBER 2017

	<u>Type of Scheme</u>	<u>Date of Retirement</u>	<u>Type of Pension</u>	<u>Payment Raised</u>	<u>Days</u>	<u>Comments</u>
1	FPS	04/01/2017	Ordinary	05/01/2017	1	
2	FPS	07/01/2017	Ordinary	11/01/2017	4	
3	FPS	18/01/2017	Ill Health	20/01/2017	2	
4	FPS	31/01/2017	Ordinary	03/02/2017	3	
5	FPS	16/02/2017	Ordinary	15/02/2017	-1	
6	FPS	28/02/2017	Ordinary	02/03/2017	2	
7	NFPS	12/03/2017	Ill Health *	17/03/2017	5	
8	FPS	31/03/2017	Ordinary	31/03/2017	0	
9	FPS	30/04/2017	Ordinary	02/05/2017	2	
10	FPS	30/04/2017	Ordinary	Did not commute		
11	FPS	07/05/2017	Ordinary	08/05/2017	1	
12	NFPS	07/05/2017	Ordinary *	10/05/2017	3	
13	FPS	30/06/2017	Ordinary	29/06/2017	-1	
14	FPS	06/07/2017	Ordinary	10/07/2017	4	
15	FPS	13/07/2017	Ordinary	21/07/2017	8	
16	FPS	26/07/2017	Ordinary	24/07/2017	-2	
17	FPS	28/07/2017	Ordinary	01/08/2017	4	
18	FPS	31/07/2017	Ordinary	03/08/2017	3	
19	FPS	04/08/2017	Ordinary	03/08/2017	-1	
20	FPS	05/08/2017	Deferred	03/08/2017	-2	
21	FPS	16/08/2017	Ill Health	14/08/2017	-2	
22	FPS	31/08/2017	Ordinary	06/09/2017	6	
23	FPS	31/08/2017	Ordinary	Did not commute		
24	NFPS	31/08/2017	Ordinary	29/09/2017	29	Papers not received from member until 25 September 2017

* Retained Firefighters

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New Joiners from 1 January 2017

	A	B	C	D	E	F
1	Reference	Employment Start Date or Enrolment Date	Re-enrolment?	Regular/Retained	In Scheme?	Reasons provided for Opt Out
2		01/08/2017	Y	Retained	NO	Already in scheme for whole-time post
3		10/04/2017		Regular - 50%	YES	NA
4		23/02/2017		Regular - 50%	NO	Already in scheme for retained post
5		25/02/2017		Regular - FT	NO	Scheme changes from 2015
6		25/02/2017		Regular - FT	NO	Already in scheme for retained post (FT contract since finished)
7		01/08/2017	Y	Regular - FT	NO	Not Known - had previously opted out
8		08/04/2017		Regular - FT	NO	Prefers alternative investment opportunity (on temp contract)

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Surrey Local Pension Board

26 October 2017

Internal Dispute Resolution Procedure

Recommendations:

The Board is asked to **note** the content of this report and make recommendations if any further action is required.

Background

1. In circumstances where an individual has a complaint or an issue relating to his or her occupational or trust based pension scheme, an original or first instance decision will usually be made by a specified person as set out in the Scheme employer's dispute resolution arrangements.
2. All occupational pension schemes are required to have arrangements for 'Internal Dispute Resolution Procedures' (IDRP). The requirements are set out in Sections 50, 50A and 50B of the Pensions Act 1995, as amended, and in the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous) Regulations 2008 (the 2008 Regulations).
3. Internal Dispute Resolution Procedures are arrangements for the resolution of pension disputes. Such a dispute is one which is between (i) the trustees or managers of a pension scheme and (ii) one or more persons with an interest in the scheme and is about matters relating to the scheme that is not an 'exempted dispute'.
4. The IDRP must provide a process enabling any of the parties to the dispute to apply for a decision on the matters in dispute and for the scheme trustees or managers to take that decision.
5. The trustees or managers must take the decision within a reasonable period of time and equally must notify the applicant within a reasonable period of time.

6. Exempted disputes are ones which are or have been the subject of court or tribunal proceedings or a Pensions Ombudsman investigation; or if it is of a prescribed description.
7. The 2008 Regulations prescribe as 'exempted disputes' those for which a notice of appeal has been issued by the complainant in accordance with rule H2 of Schedule 2 to the Firefighters Pension Scheme Order 1992 (appeal against opinion on a medical issue); rule 4 of Part 8 of the Firefighters Pension Scheme 2006 (appeal against decision based on medical advice); or rule 2 of Part 6 of Schedule 1 to the Firefighters Compensation Scheme (England) Order 2006 (appeal to medical referee).
8. The IDRPs are available to the following:
 - a member (active, deferred or pensioner) of the FPS, NFPS or FPS 2015;
 - a widow, widower or surviving dependant of a deceased member of the FPS, NFPS or FPS 2015;
 - a surviving non-dependant beneficiary of a deceased member of the FPS, NFPS or FPS 2015
 - a prospective member of the scheme;
 - persons who are no longer within any of the categories of persons referred to in paragraphs (a) to (d);
 - persons who claim to be such a person as is mentioned in paragraphs (a) to (e) and the dispute relates to whether he/she is such a person; or
 - someone entitled to benefits under the Firefighters Compensation Scheme (FCS).
9. An application under the IDRPs may be made or continued on behalf of a person who is a party to the dispute:
 - where the person dies, by his/her personal representative;
 - where the person is a minor or is otherwise incapable of acting for him/herself, by a member of his/her family or some other person suitable to represent him/her; and
 - in any other case, by a representative nominated by him/her.
10. The IDRPs provide recourse for a person who has a complaint relating to their pension, other than matters covered by the medical appeal arrangements in the FPS, NFPS, FPS 2015 and FCS. The amended arrangements, as referred to in Fire Pension Scheme Circular 1/2009 (shown as Annex 1), allow for a single stage, although pension schemes have a discretion to make provision for two stages.
11. The Surrey Fire and Rescue Authority (the Authority) has decided that two-stage arrangements should operate on the following basis :

Stage 1: The Chief Fire Officer, or a senior manager specified by him/her, who will give a decision in the matters.

Stage 2: The decision should be confirmed or replaced by the decision of elected members of the fire and rescue authority. The authority may provide for decisions to be taken by or on their behalf by one or more of their number.

Stage One IDRPs

12. Process:

- The application for consideration of the dispute is required to be made in writing, giving details of the complaint.
 - When an application is received, the Head of Human Resource Management or his/her representative acknowledges the application and informs the applicant of the date on which it will be considered.
 - The applicant is further advised that, whilst the issues raised within his or her application have been noted, he or she is invited to provide any further evidence or documentation that they may wish to be considered.
 - The process is entirely by written submission and does not involve personal appearance by the parties.
13. Circular 1/2009 recommends that a decision on the application is notified to the complainant, or the person acting for him or her, within two months of receipt of the application, or a further letter must be sent explaining the reason for the delay and the expected date of the decision. The Authority seeks to keep to this timescale.
14. The Pensions Regulator expectation is that a decision will be made on a dispute within four months of receiving the application and that applicants should be notified of the decision usually no later than 15 working days after the decision has been made.

Stage Two IDRP

15. Process
- The applicant will be informed in the decision letter that if he or she wishes to appeal under Stage Two of the IDRP, he or she can do this by submitting an appeal in writing together with any additional evidence.
 - The application is stated to be required to be submitted not later than six months after the date on of the Stage One decision letter.
 - When a Stage Two application is received, it is acknowledged by the Authority who informs the applicant of the date on which it will be considered.
 - The applicant is further advised that, whilst the issues raised within his or her application have been noted, he or she is invited to provide any further evidence or documentation that they may wish to be considered.
 - As with Stage One, the process is entirely by written submission and does not involve personal appearance by the parties.
16. Circular 1/2009 recommends that a decision on the application is notified to the complainant, or the person acting for him or her, within two months of receipt of the application or a further letter must be sent explaining the reasons for the delay and the expected date of the decision.
17. A further recommendation of Circular 1/2009 is that the notice of the decision must include a statement that the Pensions Ombudsman appointed under section 145(2) of the Pension Schemes Act 1993 may investigate and determine any complaint or dispute of fact or law, in relation to the schemes, made or referred in accordance with that Act; and contact details. The Authority currently provides this information.
18. Whilst there was previously a statutory requirement for a two stage IDRP process, there has never been a statutory requirement for elected member involvement in the second stage. DCLG Circular 1/2009 sets out a two stage arrangement on the basis of the second stage determination being made by elected members. However, this is a 'proposal' rather than statutory guidance.

Next steps

19. Officers will take action on the basis of any Board recommendations and ensure IDRPs are transparent and easily accessible to the FFPS membership.

Report contact: Neil Mason, Senior Advisor Pension Fund

Contact details: T: 020 8213 2739 E: neil.mason@surreycc.gov.uk

Sources/background papers:

Annexes:

1. Department for Communities and Local Government Circular 1/2009



Firefighters' Pension Scheme Circular

Circular Number:	FPSC 1/2009	Date Issued:	02/01/2009
Action:	For Information and Action [Non-statutory guidance]		
Title:	<i>Firefighters' Pension Scheme: INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)</i>		
Issued by:	Martin Hill Local Government and Firefighters' Pensions Division		

Summary:	This circular advises FRAs that IDRP arrangements have been reviewed and changes introduced with the agreement of the Firefighters' Pension Committee to ensure that they continue to meet the requirements of the Pensions Act 1995, as amended.
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Addressed to:	Please Forward to:
The Clerk to the Fire and Rescue Authority	Pension and human resources managers
The Chief Fire Officer	Medical/Occupational health managers
	Scheme members

Enquiries:

Pensions Team Leader:

Martin Hill	martin.hill@communities.gsi.gov.uk	020 7944 8641
Andy Boorman	andy.boorman@communities.gsi.gov.uk	020 7944 8123
Anthony Mooney	anthony.mooney@communities.gsi.gov.uk	020 7944 8087

Medical Appeals

Philip Brown	philip.Brown@communities.gsi.gov.uk	020 7944 6787
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General Enquiries: firepensions@communities.gsi.gov.uk

Firefighters' Pension Scheme Website: www.communities.gov.uk/firepensions

1. Background

- 1.1 We have reviewed the Internal Dispute Resolution Procedures set out in Fire Service Circular 2/1997 in the light of changes made to section 50 of the Pensions Act 1995 by section 273 of the Pensions Act 2004, as amended by section 16 of the Pensions Act 2007, and the Occupational Pension Schemes (Internal Dispute resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 (SI 2008/649).
- 1.2 The advice set out in this circular has been agreed with the Firefighters' Pension Committee.
- 1.3 This advice on the procedure for dealing with complaints under the Firefighters' Pension Scheme 1992 (FPS), the New Firefighters' Pension Scheme 2006 (NFPS) and the Firefighters' Compensation Scheme 2006 (FCS) should be followed in all cases where there is a dispute other than appeals lodged under Rule H2 of the FPS, Part 8, rule 4 of the NFPS or Part 6, rule 2 of the FCS, which are exempted under the 2008 Regulations.
- 1.4 Also exempted are matters in respect of which proceedings have been commenced in any court or tribunal, or the Pensions Ombudsman has commenced an investigation in respect of it as a result of a complaint made or a dispute referred to him.
- 1.5 If, after an application for the resolution of a pension dispute has been made, the dispute becomes an exempted dispute under paragraphs 3 and 4 above, the resolution of the dispute under the procedure ceases.

2. Who is entitled to make a complaint under IDRPs?

- 2.1 The IDRPs are available to the following:
 - (a) a member (active, deferred or pensioner) of the FPS or NFPS,
 - (b) a widow, widower or surviving dependant of a deceased member of the FPS or NFPS,
 - (c) a surviving non-dependant beneficiary of a deceased member of the FPS or NFPS,
 - (d) a prospective member of the scheme,
 - (e) persons who have ceased to be within any of the categories of persons referred to in paragraphs (a) to (d), or
 - (f) persons who claim to be such a person as is mentioned in paragraphs (a) to (e) and the dispute relates to whether he/she is such a person.
- 2.2 As the procedures apply also to disputes relating to the Firefighters' Compensation Scheme 2006, they will be available to those who are entitled to benefits under the Scheme, i.e. optants out of the FPS and NFPS, and retained firefighters employed before 6th April 2006 with protected rights.

3. Representation

- 3.1 An application under the IDRPs may be made or continued on behalf of a person who is a party to the dispute:
- (a) where the person dies, by his/her personal representative,
 - (b) where the person is a minor or is otherwise incapable of acting for him/herself, by a member of his/her family or some other person suitable to represent him/her, and
 - (c) in any other case, by a representative nominated by him/her.

4. How are IDRPs to be applied to the FPS and NFPS?

- 4.1 The IDRPs provide recourse for a person mentioned in paragraph 2.1 above who has a complaint relating to their pension, other than matters covered by the medical appeal arrangements in the FPS, NFPS and FCS. The amended arrangements allow for a single stage, although pension schemes have a discretion to make provision for two stages.
- 4.2 It is proposed that two-stage arrangements should be maintained on the following basis:

Stage One: the matters should be considered by the Chief Fire Officer, or a senior manager specified by him/her, who will give a decision in the matters; and

Stage Two: the decision should be confirmed or replaced by the decision of elected members of the fire and rescue authority. The authority may provide for decisions to be taken by or on their behalf by one or more of their number.

5. Stage One

- 5.1 The application for consideration of the dispute should be made in writing, giving details of the complaint. A suggested format is attached at Annex 1.
- 5.2 When an application is received, the Chief Fire Officer, or the person specified by him/her, should acknowledge, and must inform the applicant that the Pensions Advisory Service (TPAS) is available to assist members and beneficiaries of the scheme(s) in connection with any difficulty with the scheme, and give the applicant the contact details of TPAS.
- 5.3 Except in cases referred to in section 3, applications must be made by any person referred to in paragraph 2(a) to (d) above within six months beginning after the date on which the person could have reasonably known about the matter in dispute, or in the case of a person in categories (e) and (f) the person ceased to be a member of the FPS or NFPS. The Chief Fire Officer, or the person specified by him/her, has discretion to accept an application made outside this period.

- 5.4 The exceptions are any determinations by an authority under Part 8, rule 2 of the New Firefighters' Pension Scheme 2006, where rule 5 provides for written notice of any disagreement to be submitted within 28 days of receipt of the determination.
- 5.5 A decision on the application must be notified to the complainant or his representative within two months of receipt of the application or a further letter must be sent explaining the reason for the delay and the expected date of the decision.

6. Stage Two

- 6.1 If the complainant is dissatisfied with the decision at Stage One, he or she can apply in writing, not later than six months after the date on which notified of the Stage One decision, for the decision to be reconsidered by the fire and rescue authority. A suggested format is attached at Annex 2.
- 6.2 When an application is received, it should be acknowledged.
- 6.3 A decision must be taken within two months of receipt of the application or a further letter must be sent explaining the reasons for the delay and the expected date of the decision.
- 6.4 The notice of the decision must include a statement that the Pensions Ombudsman appointed under section 145(2) of the Pension Schemes Act 1993 may investigate and determine any complaint or dispute of fact or law, in relation to the schemes, made or referred in accordance with that Act; and contact details

7. Pro-formas

- 7.1 To assist fire and rescue authorities, draft application forms and letters for each stage have been prepared and are annexed. Copies will be available on the website at:
<http://www.communities.gov.uk/fire/working/firefighterpensions/>

Martin Hill

Martin Hill

Stage One: Application

This application may be submitted by a person (or nominated representative) who is (a) an active, deferred or pensioner member of the Firefighters' Pension Scheme, or the New Firefighters' Pension Scheme; (b) a widow, widower or surviving dependant of a deceased member of the FPS or NFPS; (c) a surviving non-dependant beneficiary of a deceased member of the FPS or NFPS; (d) a prospective member of the NFPS; (e) persons who have ceased to be within any of the categories in (a) to (d); or (f) persons who claim to be a person mentioned in (a) to (e) and the dispute relates to whether he is such a person.

To the Chief Fire Officer, Fire and Rescue Authority

1. I wish to apply for a decision to be made, under section 50 of the Pensions Act 1995, in respect of the disagreement set out in this application.
2. I understand that an application may not be made where, in respect of a disagreement:
 - A notice of appeal has been issued under Rule H2 of the Firefighters' Pension Scheme 1992, Part 8, rule 4 of the New Firefighters' Pension Scheme 2006 or Part 6, rule 2 of the Firefighters' Compensation Scheme 2006 (appeal to a board of medical referees against a decision on an issue of a medical nature), or
 - Proceedings in respect of this dispute have begun in any court or tribunal, or
 - The Pensions Ombudsman has commenced an investigation into a complaint or a dispute referred to him.
3. The nature of the disagreement is set out in the attached page(s).

Complete in all cases (in Block capitals)

Full name of Scheme member

Role and employment reference

Address of Scheme member

.....

Member's date of birth Member's National Insurance No.

Complete if complainant is not a Scheme member (in Block Capitals)

Full name of complainant

Address for correspondence

.....

Relationship of complainant to Scheme member (if relevant)

Signature of complainant (or representative)Date

Nature of disagreement

Give a statement of the nature of the disagreement with sufficient details to show why aggrieved. If necessary, continue details on to another page and attach the application form with any supporting documents.

Signature of complainant (or representative)

Date

Stage One: Letter 1

Fire and Rescue Service Headed Notepaper

Dear *(name of complainant)*

**FIREFIGHTERS' PENSION SCHEME/NEW FIREFIGHTERS' PENSION SCHEME/FIREFIGHTERS' COMPENSATION SCHEME (as appropriate):
PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage One**

Your application under Section 50 of the Pensions Act 1995 for a decision in respect of a disagreement was received on *(date)*.....

I intend to make a decision on the matters raised by your application within two months from the date the application was received.

If, for any reason, I am unable to issue you with a decision within this time-scale you/and your representative *(complete as appropriate)* will be sent:

an interim reply;

the reasons for the delay; and

an expected date for the issue of the decision.

TPAS (the Pensions Advisory Service) is available to assist members and beneficiaries of pension schemes in connection with any difficulty with the scheme. TPAS can be contacted at: 11 Belgrave Road, London SW1V 1RB, telephone 0845 6012923

Yours sincerely,

(Chief Fire Officer or the person specified by him)

This acknowledgement letter must be sent, in all cases, where a Stage One application is received from a complainant. If there are problems with the way in which the application has been completed, then this letter should be adapted accordingly.

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Stage One: Letter 2

Fire and Rescue Service Headed Notepaper

Dear *(name of complainant)*

**FIREFIGHTERS' PENSION SCHEME/ NEW FIREFIGHTERS' PENSIONS SCHEME/
FIREFIGHTERS' COMPENSATION SCHEME (as appropriate):
PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage One**

Further to my letter of *(date of issue of IDRPs Stage One: Letter 1)*....., I regret I am not yet in a position to issue you with a decision.

The reasons for the delay are *(reasons)*

I expect to be able to issue you with a decision on *(date)*.

Yours sincerely,

(Chief Fire Officer or the person specified by him/her)

This letter must be sent if a decision cannot be made within two months of receipt of a Stage One application from a complainant.

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Stage One: Letter 3

Fire and Rescue Service Headed Notepaper

Dear *(name of complainant)*

**FIREFIGHTERS' PENSION SCHEME/NEW FIREFIGHTERS' PENSION SCHEME/FIREFIGHTERS' COMPENSATION SCHEME *(as appropriate)*: PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage One**

I have considered your application received on *(date)*.... for a decision to be made under Section 50 of the Pensions Act 1995 in respect of your disagreement referred to in the application.

My decision is as follows:

Give a statement of the decision and make reference to any legislation (including the relevant pension or compensation scheme orders) relied upon for the decision and also including, if a discretion has been exercised under the scheme, a reference to the provisions of the scheme under which the discretion is conferred.

If you are not content with this decision, you have a right to apply for reconsideration of the disagreement by the Fire and Rescue Authority *(complete with appropriate reference to the committee or individuals who will be responsible for Stage 2 consideration)* no later than six months from the date of this notice. A form designed for this purpose can be obtained from *(complete as appropriate)*.

TPAS (the Pensions Advisory Service) is available to assist members and beneficiaries of pension schemes in connection with any difficulty with a scheme which remain unresolved. TPAS can be contacted at: 11, Belgrave Road, London, SW1V 1RB; Telephone 0845 6012923

Yours sincerely,

(Chief Fire Officer or the person specified by him/her)

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Stage Two: Application

If a person is dissatisfied with the decision of the Chief Fire Officer or the person specified by him at Stage 1 of the IDRP, an application may be submitted by that person (or nominated representative) for the decision to be confirmed or replaced by the decision of elected members of the fire and rescue authority. The authority may provide for decisions to be taken by or on their behalf by one or more of their number.

To theFire and Rescue Authority

1. I am applying for reconsideration of the decision ofmade under section 50 of the Pensions Act 1995. I understand that the Fire and Rescue Authority will either confirm the decision or replace it.
2. I understand that an application may not be made where, in respect of the matter:
 - A notice of appeal has been issued under Rule H2 of the Firefighters’ Pension Scheme 1992, Part 8, rule 4 of the New Firefighters’ Pension Scheme 2006 or Part 6, rule 2 of the Firefighters’ Compensation Scheme 2006 (appeal to a board of medical referees against a decision on an issue of a medical nature), or
 - Proceedings in respect of this dispute have begun in any court or tribunal, or
 - The Pensions Ombudsman has commenced an investigation into a complaint or a dispute referred to him.
3. I attach a copy of the notice of the decision referred to in paragraph 1 and a statement of the reason(s) for dissatisfaction with that decision.

Complete in all cases (in Block capitals)

Full name of Scheme member
 Role and employment reference
 Address of Scheme member

 Member’s date of birth Member’s National Insurance No.

Complete if complainant is not a Scheme member (in Block Capitals)

Full name of complainant
 Address for correspondence

 Relationship of complainant to Scheme member (if relevant)
 Signature of complainant (or representative) Date

Nature of disagreement

Give a statement of the nature of the disagreement with the decision made by the Chief Fire Officer or the person specified by him. If necessary, continue details on to another page and attach the application form with any supporting documents.

Signature of complainant (or representative)

Date

Stage Two: Letter 1

Fire and Rescue Authority Headed Notepaper

Dear *(name of complainant)*

**FIREFIGHTERS' PENSION SCHEME/NEW FIREFIGHTERS' PENSION SCHEME/FIREFIGHTERS' COMPENSATION SCHEME (as appropriate):
PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage Two**

Your application for a reconsideration of a decision dated made under Section 50 of the Pensions Act 1995 by *(complete as appropriate)* was received on

The Fire and Rescue Authority or one or more of their number will consider the matters raised by your application and will confirm or replace that decision under Section 50 of the Pensions Act 1995 within two months from the date your application was received.

If, for any reason, the Authority/the members of the Authority (complete as appropriate) are unable to issue you with a decision within this time-scale you/and your representative (complete as appropriate) will be sent:

- an interim reply;
- the reasons for the delay; and
- an expected date for the issue of the decision.

TPAS (the Pensions Advisory Service) is available to assist members and beneficiaries of pension schemes in connection with any difficulty with a scheme which remain unresolved. TPAS can be contacted at: 11, Belgrave Road, London, SW1V 1RB; Telephone 0845 6012923

Yours sincerely,

Secretary to the Fire and Rescue Authority

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Stage Two: Letter 2

Fire and Rescue Authority Headed Notepaper

Dear *(name of firefighter)*

**FIREFIGHTERS' PENSION SCHEME/NEW FIREFIGHTERS' PENSION SCHEME/FIREFIGHTERS' COMPENSATION SCHEME (as appropriate): PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage Two**

Further to my letter of, I regret *the Fire and Rescue Authority/ members of the Fire and Rescue Authority appointed to consider the matter (as appropriate)* are not yet in a position to issue you with a decision.

The reasons for the delay are (reasons)

The panel expect to be able to issue you with a decision on *(date)*

Yours sincerely,

Secretary to the Fire and Rescue Authority

This letter must be sent if a decision cannot be made within two months of receipt of a Stage Two application from a complainant.

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Stage two: Letter 3

Fire and Rescue Authority Headed Notepaper

Dear *(name of complainant)*

**FIREFIGHTERS' PENSION SCHEME/NEW FIREFIGHTERS' PENSION SCHEME/FIREFIGHTERS' COMPENSATION SCHEME (as appropriate): PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage Two**

The Fire and Rescue Authority/members of the Fire and Rescue Authority (as appropriate) have considered your application received on (date)..... for reconsideration of the disagreement which was the subject of a decision made by the Chief Fire Officer/by the person specified by the Chief Fire Officer (as appropriate) under Section 50 of the Pensions Act 1995, as indicated in the notice of decision dated (date).....

The decision of the panel, made under Section 50 of the Pensions Act 1995, is as follows:

Give a statement of the decision and an explanation as to whether, and if so to what extent, that decision either confirms or replaces the decision made by the Chief Fire Officer or the person specified by him/her.

Refer to any legislation, including the FPS, NFPS or FCS relied upon for the decision and also including, if a discretion has been exercised under the Scheme, a reference to the provisions of the Scheme under which the discretion is conferred.

If you remain dissatisfied.

- TPAS (the Pensions Advisory Service) is available to assist members and beneficiaries of pension schemes in connection with any difficulty with a scheme which remain unresolved. TPAS can be contacted at:11 Belgrave Road, London, SW1V 1RB; Telephone 0845 6012923
- the Pensions Ombudsman, appointed under Section 145(2) of the Pension Schemes Act 1993 may investigate and determine any complaint or dispute of fact or law in relation to a scheme made or referred in accordance with that Act. He can be contacted at:11 Belgrave Road, London, SW1V 1RB; Telephone 020 7834 9144

Yours sincerely,

Secretary to the Fire and Rescue Authority

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.



Surrey Local Pension Board 26 October 2017

Surrey Firefighter's Pension Draft Risk Register

Recommendations:

The Board is asked to **note** the content of this report and **approve** the draft Surrey Firefighter's Pension Scheme (FFPS) Risk Register (shown as Annex 1). The Board is further asked to make recommendations of any amendments to the Surrey FFPS Risk Register.

Background

1. Good governance ensures that there is an appropriate Risk Register in place. It is also a requirement of the Pensions Regulator's code of practice on the governance and administration of public service pension schemes to have in place a Risk Register which is regularly reviewed.
2. In a meeting of 9 February 2017 the Surrey FFPS Local Pension Board (the Board) approved a forward plan for governance and administration of the Surrey FFPS. Among the highest priorities identified was the production of a risk register for the Surrey FFPS.
3. The draft Surrey FFPS Risk Register consists of relevant risks to the Surrey FFPS. It contains the range of risks to be considered by the Board for comment on whether the risks seem appropriate and that the Inherent and Residual risks are set at the correct level.
4. The Surrey FFPS Risk Register seeks to reflect adopt best practice in the identification, evaluation and control of risks in order to ensure that the risks are recognised, and then either eliminated or reduced to a manageable level. If neither of these options is possible, then means to mitigate the implications of the risks should be established.
5. Each of the risk areas in the register has been assessed in terms of its impact on the Surrey FFPS. Assessment has also been given as to the likelihood of the risk.

6. Each of the three areas of impact identified above is assessed on a scale of one to four, with four implying the highest level of impact. The likelihood of the risk description (between one and five) is then applied to the combined impact score, which produces an overall risk score. Depending on the score, the risks are then identified as Red, Amber or Green.
7. To comply with best practice, a scoring process has been implemented, which will reassess the risk scores after the mitigating action taken to control and reduce the risks. The risk register includes a revised impact score and net risk score as a result of those mitigating actions.

Next steps

1. On approval from the Board the Surrey FFPS Risk Register will be reviewed and reported to the next Board meeting.

Report contact: Neil Mason, Senior Advisor Pension Fund

Contact details: T: 020 8213 2739 E: neil.mason@surreycc.gov.uk

Sources/background papers:

tPR Code of Practice no 14 (Governance and administration of public service pension schemes)

Annexes:

1. Draft Surrey FFPS Risk Register

Risk Ref.	Risk Description	Risk Owner	Inherent Risk					Total risk score	Control actions	Action by whom	Residual risk					Total risk score	Reviewed on	Changes made during review
			Impact								Impact							
			Fin	Service	Rep'n	Total	Likely				Fin	Service	Rep'n	Total	Likely			
F1	Incorrect data due to employer error, user error or historic error leads to service disruption.	JB	1	2	3	6	2	12	TREAT 1) Implementation and monitoring of a Data Improvement Plan by the pension administration team.	JB	1	2	3	6	1	6	Oct-17	
F2	Data not secure or appropriately maintained.	JB	3	3	3	9	2	18	TREAT 1) Systems controls in place and can be evidenced. 2) The pension administration team is compliant with General Data Protection Requirements (GDPR).	JB	3	3	3	9	1	9	Oct-17	
F3	Risk of manual intervention in administration reporting.	JB	2	4	2	8	3	24	TREAT 1) Automated extraction of data where viable and agreed process for audit assurance.	JB	2	3	2	7	2	14	Nov-17	
F4	Lack of capability of systems leads to inefficiency and disruption.	JB	4	4	2	10	2	20	TREAT 1) Ensure system efficiency is assured by the pension administration team.	JB	4	4	2	10	1	10	Oct-17	
F5	Failure to communicate adequately with scheme members.	JB/LS	1	4	4	9	3	27	TREAT 1) Ensure the website is updates, that newsletters are published and annual benefit statements are distributed.	JB/LS	1	4	4	9	2	18	Oct-17	
F6	Failure to recognise and manage conflicts of interests of Board members	Dem serv/NM/LS	1	1	5	7	3	21	TREAT 1) Declaration of interests at the beginning of each meeting.	Dem serv/NM	1	1	5	7	2	14	Oct-17	
F7	Policies and strategies not in place or reviewed.	NM/JS/LS	2	2	3	7	3	21	TREAT 1) Reviewed by the Board	NM/JS/LS	2	2	3	7	2	14	Oct-17	
F8	Unstructured training leads to under developed workforce resulting in inefficiency.	JB/LS	1	3	3	7	3	21	TREAT 1) Implementation and monitoring of a Staff Training and Competency Plan by the pension administration team.	JB/LS	1	3	3	7	2	14	Oct-17	
F9	Failure to administer the scheme in line with regulations and policies.	JB/LS	1	2	4	7	3	21	TREAT 1) Up to date knowledge through various sources such as SAB and the LGA. Up to date training. Attendance at regional fire administrator working groups. Information on the scheme is held on the Firefighters website. 2) Through strong governance arrangements and the active reporting of issues, seek to report all breaches as soon as they occur in order to allow mitigating actions to take place to limit the impact of any breaches	JB/LS	1	2	4	7	2	14	Oct-17	
F10	Gaps in skills and knowledge of Board members.	LS/NM	2	3	2	7	3	21	TREAT 1) Members of the Board will be mindful of the Attendance and Knowledge and Understanding Policy when setting objectives and establishing training needs.	LS/NM	2	3	2	7	2	14	Oct-17	
F11	Inability to respond to a significant event leads to prolonged service disruption and damage to reputation.	JB	3	3	3	9	3	27	TREAT 1) Disaster recover plan in place 2) Ensure system security and data security is in place 3) Business continuity plans regularly reviewed, communicated and tested 4) Assess compliance with the Government's National Cyber Security Strategy 2016-2021	JB	3	3	3	9	1	9	Oct-17	
F12	Lack of productivity of pension administration team leads to impaired performance.	JB	2	3	2	7	4	28	TREAT 1) Regular appraisals with focused objectives for pension fund and admin staff	JB	2	3	2	7	2	14	Oct-17	
F13	Failure to continuously improve leads to inefficiency and missed opportunities.	JB	2	2	2	6	3	18	TREAT: 1) Annual customer feedback survey to be carried out. 2) Quarterly complaints/praise feedback to be reported to and scrutinised by the Committee and Board 3) Implementation and monitoring of an annual Continuous Improvement Plan as part of the Service Specification between the Fund and Orbis	JB	2	2	2	6	2	12	Oct-17	
F14	Failure to provide adequate management reports to the Board.	JB/NM/LS	2	2	2	6	4	24	TREAT: 1) Board meetings held twice annually . 2) The Board chairman and vice chairman agree rolling forward plan. 3) Additional meetings can be convened if required.	JB/NM/LS	2	2	2	6	2	12	Oct-17	

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Surrey Firefighters Local Pension Board 26 October 2017

Annual benefit statement 2017: project review

Recommendations:

1. The Board is asked to **note** the content of this report.
2. The Board **notes** that a Breach has been reported to the Pensions Regulator (tPR).
3. 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

Detail:

4. It is a regulatory requirement to produce annual benefit statements to active and deferred pension members. The deadline to issue these statements is 31 August 2017 for 2016/17
5. A total of 523 annual benefit statements were identified for 2016/17; all of which were issued or made available by 13 September 2017; 13 days outside of the deadline date.

Lessons learnt and improvements planned for 2017/16 statements for active members

6. The 2015/2016 statements were only being issued in February 2017. The primary reason for the delay was the technological challenges to the Altair pension database to produce both final salary scheme and CARE scheme benefits for the first time under the different pension schemes.
7. Although the technological challenges associated with the CARE scheme, were addressed during the 2015/16 exercise, delivery of 2016/17 statements was delayed due to the identification of an error by the pension administrator's systems supplier, Heywood, during a sample run of statements in early August 2017.
8. In order to remedy this error, the pension administration took the decision to design a bespoke statement for issuing to firefighters. This bespoke statement was issued in over 80% of cases. The remaining cases were issued using a standard Heywood document as these were not subject to errors. The creation of the bespoke statements created the delay to issuance beyond the statutory deadline.

9. Although the breach of time scales is disappointing, the statements were issued much sooner than previous years. Additionally, building on feedback received from members regarding the 2015/2016 statements, the 2016/17 statements incorporated an estimate of benefits at age 55 as well the Normal Pension Age for those firefighters who had accrued benefits in the 1992 scheme but did not reach 30 years service at age 55.

Breach reported to the Pensions Regulator

10. In accordance with the Surrey FFPS Breaches Policy the Responsible Officer will inform the Chairman of the Local Pension Board of the requirement to report the late issuance of annual benefit statements to the Pensions Regulator.

Next steps

- 11 A project report on the production of annual benefit statements for 2017/18 be added to the Board Forward plan with an update brought to the Board at its next meeting.

Report contact: Neil Mason, Senior Advisor (Pension Fund and Treasury)

Contact details: T: 020 8213 2739 E: neil.mason@surreycc.gov.uk

Sources/background papers:

tPR Code of Practice no 14 (Governance and administration of public service pension schemes)

Annexes: