

Notice of Meeting

Surrey Local Firefighters' Pension Board



Date & time
Wednesday, 3 July
2019 at 10.00 am

Place
Members' Conference
Room, County Hall,
Penrhyn Road,
Kingston upon
Thames, KT1 2DN

Contact
Ben Cullimore
Room 122, County Hall
Tel 02082132782
ben.cullimore@surreycc.gov.uk

Chief Executive
Joanna Killian

If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language, please either call 020 8541 9122, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 8914, fax 020 8541 9009, or email ben.cullimore@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Ben Cullimore on 02082132782.

Elected Members:

Mr Nick Harrison (Employer Representative) (Chairman)

Independent Representatives:

Sally Wilson (Employer Representative) (Vice-Chairman), Richard Jones (Employee Representative), Glyn Parry-Jones (Employee Representative)

TERMS OF REFERENCE

The Committee is responsible for the following areas:

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 legislations relating to the governance and the administration of the Firefighters' Pension Scheme and any other connected scheme;
- iii) any requirements imposed by the Pensions 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

To receive any apologies for absence and substitutions.

2 MINUTES FROM THE PREVIOUS MEETING: 1 MAY 2019

(Pages 5
- 10)

To agree the minutes as a true record of the meeting.

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:

- The deadline for Member's questions is 12.00pm four working days before the meeting (27 June 2019).
- The deadline for public questions is seven days before the meeting (26 June 2019).
- The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 ADMINISTRATION UPDATE (1 APRIL - 31 MAY)

(Pages
11 - 20)

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

6 RISK REGISTER

(Pages
21 - 24)

The Board is asked to note the content of this report, including changes to the scoring of current risks and the inclusion of additional risks, and approve the Surrey Firefighters' 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.

7 EXCLUSION OF THE PUBLIC

Recommendation: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of the Schedule 12A of the Act.

8 BREACHES LOG

(Pages
25 - 28)

The Board is asked to consider the pensions breach log in accordance with the Surrey Firefighters' Pension Scheme breaches of law policy and guidance. It is recommended that all breaches are considered at least quarterly as part of the committee cycle.

9 DATE OF THE NEXT MEETING

The next meeting of the Surrey Local Firefighters' Pension Board will be held on 23 September 2019.

Joanna Killian
Chief Executive

Published: Tuesday, 25 June 2019

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

Anyone is permitted to film, record or take photographs at council meetings with the Chairman's consent. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that the Chairman can grant permission and those attending the meeting can be made aware of any filming taking place.

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It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

Thank you for your co-operation.

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MINUTES of the meeting of the **SURREY LOCAL FIREFIGHTERS' PENSION BOARD** held at 1.00 pm on 1 May 2019 at Surrey Fire and Rescue Service Headquarters, Croydon Road, Reigate, Surrey, RH2 0EJ.

These minutes are subject to confirmation by the Committee at its meeting on Wednesday, 3 July 2019.

Elected Members:

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

* present

1/19 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

None received.

2/19 MINUTES FROM THE PREVIOUS MEETING: 17 DECEMBER 2018 [Item 2]

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

3/19 DECLARATIONS OF INTEREST [Item 3]

None received.

4/19 QUESTIONS AND PETITIONS [Item 4]

None received.

5/19 ACTION TRACKER [Item 5]

Witnesses:

Andrew Marson, Pensions Lead Manager

Key points raised during the discussion:

1. Discussing A4/18 on deferred members' addresses, the Pensions Lead Manager informed the Board that no progress had been made. It was then agreed that the officer would produce a paper that set out the current position and what options were available moving forward.
2. The Board heard that A5/18, which concerned members' reasons for opting out, was ongoing and that the issue would be looked at against at the next phase of reenrolment.
3. The Pensions Lead Manager told the Board that A12/18, the pension scheme cycle, was a work in progress.
4. The Chairman discussed A11/18, training, and explained to the Board that he and the Vice-Chairman had attended an LGA training session in Chichester. There was an opportunity for future training sessions, which would available to Members if they wished to attend.

Actions/further information to be provided:

The Pensions Lead Manager is to produce a paper on deferred members' addresses to present at the next Board meeting.

Resolved:

The Board reviewed and noted its action tracker.

6/19 ADMINISTRATION UPDATE (1 DECEMBER 2018 - 31 MARCH 2019) [Item 6]

Witnesses:

Andrew Marson, Pensions Lead Manager
Lindsey Shaw, Workforce Information Officer

Key points raised during the discussion:

1. The Pensions Lead Manager introduced the report and informed the Board of the areas of work the Pensions Administration team were currently involved in.
2. The Chairman noted that the Board had previously been provided with statistics on the number of days it had taken to process cases and that these had always been satisfactory. It was agreed that the Pensions Lead Manager would provide these statistics at future Board meetings.
3. The Board heard about the investment that was taking place in the Pensions Administration team and how they were building the strength and experience of their assurance and communications roles. The Pensions Lead Manager stated that this would allow them to look specifically at what was emerging with regards to policy, regulatory change and legal proceedings.
4. Moving on to the retained firefighters project, the Board was informed that of the 212 affected members, 185 had been collated and 82 had their calculations of benefits assessed. Pensions Administration were now looking to explore how they might be able to increase the pace of progress.
5. A Member of the Board asked about the expected completion date for the retained firefighters project and was told that it was originally the middle of May 2019 but now looked as if it was going to be closer to the middle or end of June 2019.
6. The Pensions Lead Manager discussed GMP information and explained the work that Pensions Administration had been doing with Jardine Lloyd Thompson. The Board heard that all of the queries raised with HMRC had been returned to JLT, who were looking through the data to determine the membership reconciliation position. A final position was expected to be reached by September 2019.
7. Responding to a question about whether or not Pensions Administration received information about ombudsman cases, the Pensions Lead Manager informed the Board that they did not. The Pensions Lead Manager agreed to check their sources and make sure the scope of the information they received was as complete as possible.
8. The Chairman asked what work had been done regarding the issues outlined in Fire Bulletin 18 in the report and was told by the Pensions

Lead Manager that he would have to examine this further before informing the Board at its next meeting. The Chairman then asked for bulletins to be presented at all future meetings.

9. The Board heard from the Workforce Information Officer, who discussed missing contributions resulting from strike action. The officer informed Members that 360 people had owed contributions, and that letters had been sent to them a month previously asking for the required information to be sent back. 270 replies had then been received, collated into spreadsheets and sent to the payroll team on the morning of the meeting, and the issue was on track to be resolved by July 2019.
10. A Member of the Board expressed their concern about the number of outstanding letters and cases involving correspondence being sent to previous addresses. They then went on to discuss their concern about the performance of Orbis and issues relating to pay. One example was concerned with backdated pay not being applied after pay rises had been issued, and this had resulted in a breakdown in the link between pay and pensions. Referring to correspondence being sent to the wrong addresses, the Workforce Information Officer informed the Member that any incorrect addresses were yet to be changed by Employee Services and that she would check on those members who were yet to reply.
11. Referring to the January to June quadrants on the Scheme Year Cycle, the Pensions Lead Manager told the Board that Pensions Administration had plans in place to progress through each of the key exercises outlined. He went on to explain that the service were looking to build on the work already done by identifying the specific activities that needed to be undertaken in order to make sure the key events were completed. This would allow a calendar of events to be produced and presented to the Board at future meetings and would act as a guide that work was being completed.
12. The Chairman asked if the August deadline for the annual benefit cycle was in risk and was told by the Pensions Lead Manager that it was not. Data had been returned on time and Pensions Administration were about to start the next stage of identifying if there were any queries.

Actions/further information to be provided:

1. The Pensions Lead Manager is to provide future Board meetings with statistics on how long it had taken cases to be processed.
2. Fire Bulletins are to be presented to the Board by the Pensions Lead Manager at future meetings.
3. The Workforce Information Officer is to contact pension scheme members directly to make sure their addresses are correct.

Resolved:

The Board noted the content of the report.

7/19 MODIFIED FPS 2006 FOR RETAINED FIREFIGHTERS 2018/19 - INTERNAL AUDIT REPORT [Item 7]

Witnesses:

David John, Audit Manager
Siva Sanmugarajah, Principal Auditor

Key points raised during the discussion:

1. The Audit Manager introduced the report and explained to the Board the challenges faced by Internal Audit during its production. Members heard that Internal Audit had delivered minimal assurance audits previously but that there were little, if any, redeeming factors in this particular case. The Audit Manager went on to say that the one area the audit was not tasked to address was the financial implications that would fall on the Council as a result of the failure of management to deliver the options exercise, as these were yet to come to light and a separate exercise by Finance was underway to identify them.
2. The Board expressed its huge disappointment and concern with the Retained Firefighters Project, and the failure by the Pension Administration department at that time. The Chairman stated that the Retained Firefighters exercise should have been dealt with before the Board was established; the Board had been both not informed and subsequently misled on the matter.
3. A Member of the Board expressed his disappointment at the audit report not being sent to individual Board members and was told by the Audit Manager that the Chairman had received a copy and that the expectation is that if an item is called in by committee then the Chairman would distribute the report to Board members. He then explained that the reports were distributed per the Reporting and Escalation Policy and that a change of procedure would have to be agreed by the Audit and Governance Committee.
4. The Audit Manager told the Board that a follow-up piece of work to look at governance issues in fire pensions administration generally had been commissioned and that this work was likely to be complete by July 2019.
5. The Chairman spoke about meetings held with representatives from the Fire Brigades Union and solicitors and stated that, as the scheme was now closed, the Council would have to find remedies for the issue outside of the normal processes.
6. The Board agreed that an assessment needed to be had on the number of retained firefighters involved and the subsequent financial implications before being able to move forward.

Actions/further information to be provided:

None.

Resolved:

The Board reviewed the report from Internal Audit.

8/19 RISK REGISTER [Item 8]

Witnesses:

Ayaz Malik, Pensions Accountant Advisor
Andrew Marson, Pensions Lead Manager
Lindsey Shaw, Workforce Information Officer

Key points raised during the discussion:

1. The Pensions Accountant Advisor explained to the Board the changes that had been made to the risk register, increasing risk scores, which had been increased based on the comments made by Members at the previous Board meeting.
2. The Chairman questioned why F9/i, Modified Pension Scheme, was not listed as a red risk and stated his belief that F9, regulations and policies, should remain amber due to the continuing audit taking place.
3. Discussion turned to F10, skills and knowledge, with the Chairman saying that steps had been taken to remedy the issue. He then asked for the risk to be extended beyond the Board members and to the administrative function due to his concerns with the level of knowledge and skills in the Pensions Service as a whole.
4. It was agreed that F20, resources, which had been added to the risk register at the last meeting, required more detail to be added. The Vice-Chairman also expressed her concern with its green status, and the Chairman agreed that it needed to be highlighted as at least an amber warning until the Board was able to see evidence that the issue was being resolved.
5. Speaking about F20, resources, the Pensions Lead Manager informed the Board that there were actions being identified but that they were still in their infancy. He expressed his opinion that the risk should stay amber until Pensions Administration were able to start rebuilding confidence.
6. The Chairman pointed out that, with regards to F14, management reports, the Board was now planning on meeting four times a year, not twice, whilst the Vice-Chairman spoke about the work that the Workforce Information Officer had been doing.

Actions/further information to be provided:

1. F9/i is to be changed from an amber to red risk.
2. More detail is to be added to F20, which is also to be changed from a green to amber risk.
3. F14 is to be amended to highlight the fact that the Board will now meet four times a year.
4. F18, scheme manager responsibilities, is to be added to the forward plan to be considered at the next Board meeting on 3 July 2019.

Resolved:

The Board noted the content of the report, including changes to the scoring of risks and the inclusion of additional risks, and recommended amendments to the Surrey Firefighters' Pension Scheme risk register.

9/19 DATE OF THE NEXT MEETING [Item 11]

It was agreed that the next meeting of the Surrey Local Firefighters' Pension Board will be held on 3 July 2019.

Meeting ended at: 2.04 pm

Chairman

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Surrey Local Firefighters' Pension Board 3 July 2019

Administration Update 1 April 2019 – 31 May 2019

Recommendation:

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 measure the effectiveness of the administration of the scheme, a set of administrative functions from 1 April 2019 to 31 May 2019, and an update of performance and current issues, is set out below and in Annex 2.

Administration Performance

3. There are ongoing discussions between the Scheme Manager and the Service Delivery Manager as to the service level agreements in place for reporting performance.
4. With apologies, the number of cases processed and statistics will be tabled at the meeting.

Fire Bulletins

5. The Board has adopted a procedure to ensure that any FPS Bulletins released by the LGA are reviewed and any necessary actions are noted and tracked through to completion.

6. Bulletin 20 details the action to be taken under Regulation 8 Part 1 of Schedule 2 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 with regard to the introduction of the Police and Firefighters' (Pensions etc.) (Amendment) (England and Wales) Regulations 2019.
7. These regulations make changes to the 1992 Firefighters' Pensions Scheme and the Firefighters' Compensation Scheme relating to the service included within the calculation of surviving partners' pensions for civil partners and same-sex partners.
8. Schemes must inform members of this material change within three months of the changes coming into force.
9. The Fire Communications Working Group have produced a leaflet containing sample text which can be used to provide the information to members (attached as Annex 1).
10. Surrey Fire and Rescue Service (SFRS) have added this information to the SharePoint site and notified current members.
11. The Pensions Administration Team have e-mailed Deferred and Pensioner members for whom e-mail addresses are held.
12. For those whom an e-mail address is not held, a letter will be posted by 1 July 2019.

Staffing Updates

13. The Engagement and Education Lead joins the team on 24 June, at which point recruitment for a Communications Officer will commence.
14. The role of the Engagement and Education Lead is to increase scheme knowledge across all stakeholders, ensure compliance with legislative changes and improve staff training to ensure sufficiently trained administration resources.
15. The Communications Officer will be responsible for increasing self-service by ensuring websites and member portals are fit for purpose and up to date. They will also ensure any documentation (standard letters/forms, newsletters, annual statements, etc.) are easy to understand and provide the required information. Furthermore, this role will be responsible for providing members presentations/surgeries at key times in the scheme year, such as the publication of Annual Benefit Statements and the issuing of Pensions Saving Statements.

Project Updates

16. Annex 2 has an update on the main projects ongoing at this point in time – those being the historical Options Exercise for Access to the Modified Scheme for Retained Firefighters and GMP Reconciliation.

Summary

17. The Board is asked to note the update provided/actions required and to advise if any further reporting will assist the Board in the monitoring of administration performance.

Report contact: Andrew Marson, Lead Pensions Manager

Contact details: T: 07540 862426 E: andrew.marson@surreycc.gov.uk

Sources/background papers:

Surrey Local Pension Board Terms of Reference

Annexes:

Annex 1 – Caseload information

Annex 2 – Project updates

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Amendments to the Firefighters' Pension Schemes

Information for fire and rescue authorities to give members about amendments to the Firefighters' Pension Schemes

Introduction

The Police and Firefighters' (Pensions etc.) (Amendment) (England and Wales) Regulations 2019 come into force on 1 April 2019. These regulations amend the Firefighters' Pension Schemes.

This document will help you explain the changes to your scheme members. You must do this under regulation 8 part 1 of Schedule 2 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.

This leaflet doesn't include all the changes made. You should read [Statutory Instrument 2019/378](#) for the full amendments. More information can also be found in the LGA [technical note](#).

Disclosure requirements

The Disclosure 2013 Regulations make sure pension schemes tell members and beneficiaries about scheme changes. Particularly, those causing a 'material change' to basic scheme information. This is listed in Part 1 of Schedule 2 of the disclosure regulations. Under regulation 8(5)(a), only information about the person's rights or future rights should be given. This leaflet will explain the changes thought to be material.

This leaflet doesn't mention one of the changes introduced by the amendment regulations, which was to make minor amendments to the rule on two pensions, as this wasn't considered a material change.

You should tell members about these changes as soon as possible and at least within three months of the date of the change (i.e. by 1 July 2019).

Sample text to be used in member communications:

Amendments to the Firefighters' Pension Schemes

Changes have been made to the 1992 Firefighters' Pension Scheme and the Firefighters Compensation Scheme. These changes come into effect from 1 April 2019 and are explained below:

Surviving partner's pension

The 1992 scheme and the compensation scheme rules on survivors' pensions have been changed following a legal judgment¹. This judgment considered the restriction of service within the calculation of the surviving partners' pension for civil partners² and same sex marriage³ unlawful.

The 1992 Firefighters' Pension Scheme and the Firefighters' Compensation Scheme have been changed to remove the restriction on service from 6 April 1988 used in the calculation of a survivor's pension to a civil partner or same sex marriage. This change applies retrospectively.

This has the following effect;

- If you are a firefighter member (whether you are active, have left or retired) and in a civil partnership or same sex marriage. You do not need to do anything, the survivors pension payable on your death will automatically be calculated based on your full service with no restriction applied.
- If you are in receipt of a
 - Firefighters survivors pension from the 1992 scheme, and or
 - Survivors pension from the compensation scheme (under the rules of the compensation scheme, a survivors pension is only paid where the former Firefighter died from the effect of a qualifying injury or of infirmity of mind or body occasioned by a qualifying injury)

and were civil partnered or in a same-sex marriage, your pension may have been calculated based on restricted service from 6 April 1988 only. Your pension in payment may need to be recalculated to include the firefighter member's full service.

¹ Walker v Innospec Limited and others - <https://www.supremecourt.uk/cases/uksc-2016-0090.html>

² Formed under the Civil Partnership Act 2004 <http://www.legislation.gov.uk/ukpga/2004/33/section/1>

³ Formed under the Marriage (Same Sex Couples) Act 2013
<http://www.legislation.gov.uk/ukpga/2013/30/contents/enacted/data.htm>

- If a family member or friend, who has subsequently died was in receipt of
 - a survivors pension from the Firefighters scheme, and or
 - Survivors pension from the compensation scheme (under the rules of the compensation scheme, a survivors pension is only paid where the former Firefighter died from the effect of a qualifying injury or of infirmity of mind or body occasioned by a qualifying injury)

as a result of being in a same-sex marriage or civil partnership with a member of the Firefighters scheme, the pension may have been calculated based on restricted service from 6 April 1988 only.

If you believe that you or someone you know may be affected by these changes you should contact [enter contact details] for further information.

Disclaimer

This leaflet has been prepared based on the SAB Secretariat's understanding of the information presently available including the relevant legislation governing the Firefighters' Pension Schemes and associated overriding legislation. It represents the views of the Secretariat and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any particular piece of legislation. No responsibility whatsoever will be assumed by the Local Government Association for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by reads relaying on information contained herein.

Please address any queries on the content of this factsheet to bluelight.pensions@local.gov.uk

May 2019

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Annex 2 – Retained Firefighter Project Update – 21 June 2019

At this stage of the project all cases have now been identified and of those 208 members' cases, 166 of these have been calculated in their entirety. There has been a pragmatic approach in how the work has been processed, beginning with members with longer service who are likely to be impacted more and those members who have reached or are near retirement age.

More detail is provided below:

	Member Category	Number in category	Calculations made
A	Pensions in payment	6	6
B	Potential immediate pensions	28	27
C	Actual NFPS deferred pensions	28	13
D	Potential deferred pensions	106	90
E	Eligible active NFPS members		
	① Fully Protected	10	10
	② Notional Protection	8	8
	③ Tapered Protection	9	8
	④ Non-Protection	13	4
		40	30
	Total	208	166

Group E Membership protection provisions in respect of transition to the 2015 Scheme.

- ① Members who are fully protected in the 2006 Scheme and would have been fully protected in the Modified Scheme.
- ② Members have partial or no protection in the 2006 Scheme but would have been fully protected in the Modified Scheme.
- ③ Members moved to the 2015 Scheme on 1 April 2015 but would have had tapered protection in the Modified Scheme.
- ④ Members moved to the 2015 Scheme on 1 April 2015. They were not protected in the 2006 Scheme and would not have been protected in the Modified Scheme.

The project team are focused on calculating the remaining cases within the remaining categories. Unfortunately some issues have arisen over the last 4 – 6 weeks causing delays to the projected calculation finish date.

Payroll systems required to build the calculation of these records were not available for over four weeks due to IT server issues. This has been resolved now, with the work moving at an increased pace. The Project Manager will monitor these system issues closely with the IT department at SCC as we continue with the work.

As calculations have progressed, we have found complexity of cases more than estimated for this stage. In particular, where payroll records for whole time and retained pay have been amalgamated, requiring the retained pay and the pension contributions to be segregated for calculation purposes.

It is now projected that the calculations for all affected members will be complete by the end of July, subject to no further delays from external issues.



Surrey Local Firefighters' Pension Board 3 July 2019

Surrey Firefighters' Pension Risk Register

Recommendations:

The Board is asked to note the content of this report, including changes to the scoring of current risks and the inclusion of additional risks, and approve the Surrey Firefighters' 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 on 29 March 2018, the Surrey FFPS Local Pension Board (the Board) noted the Risk Register for the Surrey FFPS.
3. The 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 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.

Changes to existing risks

8. The Risk Register risk ratings have been updated to reflect Members' comments from previous Board meeting

Next steps

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

Report contact: Ayaz Malik, Pensions Accountant Advisor

Contact details: T: 020 8213 2700 E: ayaz.malik@surreycc.gov.uk

Sources/background papers:

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

Annexes:

Annex 1 – Surrey FFPS Risk Register

Risk Ref.	Risk Description	Risk Owner	Inherent Risk					Total risk score	Control actions	Action by whom	Residual risk					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.	AM	2	3	3	8	2	16	TREAT 1) Implementation and monitoring of a Data Improvement Plan by the pension administration team. 2. Data improvement plan to be reviewed after the 2019 triennial valuation.	AM	1	2	3	6	1	6	Jun-19	Updated
F2	Data not secure or appropriately maintained.	AM	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).	AM	3	3	3	9	1	9	Jun-19	
F3	Risk of manual intervention in administration reporting.	AM	2	4	2	8	3	24	TREAT - TOLERATE 1) Automated extraction of data where viable and agreed process for audit assurance.	AM	2	3	2	7	2	14	Jun-19	Updated
F4	Lack of capability of systems leads to inefficiency and disruption.	AM	4	4	2	10	2	20	TREAT - TOLERATE 1) Ensure system efficiency is assured by the pension administration team.	AM	4	4	2	10	1	10	Jun-19	Updated
F5	Failure to communicate adequately with scheme members.	LS	1	4	4	9	3	27	TREAT 1) Ensure the website is updated, that newsletters are published and annual benefit statements are distributed.	LS	2	2	2	6	2	12	Jun-19	
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	1	7	Jun-19	
F7	Policies and strategies not in place or reviewed.	LS	2	2	3	7	3	21	TREAT 1) Reviewed by the Board 2. Ensure roles and responsibilities are clarified.	LS	2	2	3	7	2	14	Jun-19	Updated
F8	Unstructured training leads to under developed workforce resulting in inefficiency.	AM/LS	2	3	3	8	3	24	TREAT 1) Implementation and monitoring of a Staff Training and Competency Plan by the pension administration team.	AM/LS	1	2	2	5	2	10	Jun-19	
F9	Failure to administer the scheme in line with regulations and policies.	AM/LS	2	2	4	8	4	32	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.	AM/LS	2	2	4	8	2	16	Jun-19	Updated
F9i	Failure to notify staff of the Modified Pension Scheme	AM	2	2	4	8	4	32	TREAT 1. Officers to report to the Board. 2. Implementation and monitoring of improvement Plan by the Pensions service.	AM	2	2	3	7	2	14	Jun-19	Updated
F10	Gaps in skills and knowledge of Board members.	LS/AM	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/AM	2	3	2	7	2	14	Jun-19	Updated

F11	Inability to respond to a significant event leads to prolonged service disruption and damage to reputation.	AM	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	AM	3	3	3	9	1	9	Jun-19	
F12	Lack of productivity of pension administration team leads to impaired performance.	AM	2	3	2	7	4	28	TREAT 1) Regular appraisals with focused objectives for pension fund and admin staff	AM	2	3	2	7	2	14	Jun-19	
F13	Failure to continuously improve leads to inefficiency and missed opportunities.	AM	2	2	2	6	3	18	TREAT – TOLERATE 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	AM	2	2	2	6	2	12	Jun-19	Updated
F14	Failure to provide adequate management reports to the Board.	AM/NM/LS	2	2	2	6	4	24	TREAT: 1) Board meetings held quarterly. 2) The Board chairman and vice chairman agree rolling forward plan. 3) Additional meetings can be convened if required.	AM/NM/LS	2	2	2	6	2	12	Jun-19	Updated
F15	Failure to identify GMP liability leads to ongoing costs for the pension fund	AM	3	1	3	7	4	28	TREAT 1) GMP reconciliation progress updates presented to the Local Pension Board 2) Stage 1 and Stage 2 reconciliation reviews has been completed. 3) A provider to be appointed provider to carry out the review of the remaining queries		3	1	3	7	2	14	Jun-19	
F16	Workforce Reform leads to changes within our working arrangements without consideration of the pensions implications	LS	3	3	2	8	3	24	TREAT 1) Regular monitoring by the Board	Local Board	3	3	2	8	1	8	Jun-19	
F17	Pension Services Manager leaving the Council may dilute the organisation's collective knowledge and impact on decision making.	AM	2	3	2	7	3	21	TOLERATE/TREAT The risk is mitigated as the Pension Service have hired a new Business operation Manager.	AM	2	3	2	7	1	7	Jun-19	
F18	Failure to agree ownership for scheme manager responsibilities.	Dem serv	2	3	3	8	4	32	TREAT 1) Meeting held in November to re-establish the governance responsibilities of the Fire scheme. 2) Agree ownership for scheme manager.	Dem serv	2	3	3	8	2	16	Jun-19	Updated
F19	Current valuation of the Firefighters Pension Scheme could potentially have its cost ceiling breached. Without secured funding in place from central government this would have financial implications for the Fire service.	NM	3	3	3	9	3	27	TOLERATE The implication has been reported to Section 151 Officer.	NM	3	3	3	9	3	27	Jun-19	
F20	Lack of resources leads to failure to provide adequate service.	AM	3	2	2	7	3	21	TOLERATE/TREAT 1) Make better use of existing resources 2) Recruit experience staff members 3) Implement learning and development plan for staff. 4) Pensions service to use Shropshire to provide training to staff members.	AM	2	2	2	6	3	18	Jun-19	Updated

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