

**MINUTES** of the meeting of the **SURREY LOCAL FIREFIGHTERS' PENSION BOARD** held at 10.05 am on 17 January 2020 at Members' Conference Room, County Hall, Penrhyn Road, Kingston upon Thames, KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 30 April 2020.

**Elected Members:**

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

**In attendance**

Dan Quin, Deputy Chief Fire Officer, Surrey Fire and Rescue Services

**1/20 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

None received.

The Chairman welcomed the Deputy Chief Fire Officer for his attendance at the Board meeting and his involvement in firefighters' pension arrangements.

**2/20 MINUTES FROM THE PREVIOUS MEETING: 14 OCTOBER 2019 [Item 2]**

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

**3/20 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**4/20 QUESTIONS AND PETITIONS [Item 4]**

There were none.

**5/20 ACTIONS TRACKER [Item 5]**

**Witnesses:**

Tom Lewis - Pensions Support & Development Manager

**Key points raised during the discussion:**

1. A14/19 - Due to the recent departure of the Pensions Lead Manager, the Chairman recommended that the service's findings concerning the administration and benchmarking review by Aon, would be brought forward to the Board's next meeting.
2. A16/19 - The risk relating to data improvement would be added subsequent to the meeting and the action would include reference to data quality within the 'Firefighters' Pension Scheme Common Data Quality Statistics ORBIS' report and the 'Firefighters' Pension Scheme

Scheme-Specific Data Quality Statistics ORBIS' report, as well as Scheme Address Tracing.

**Actions/ further information to be provided:**

As detailed in the key points above.

**RESOLVED:**

The Board reviewed and noted its action tracker.

**6/20 ADMINISTRATION UPDATE (1 SEPTEMBER 2019 - 31 DECEMBER 2019)  
[Item 6]**

**Witnesses:**

Lindsey Shaw - Workforce Information Officer  
Tom Lewis - Pensions Support & Development Manager

**Key points raised in the discussion:**

1. The Chairman concurred with the Action in Fire Bulletin 24 for the HMRC to contact the Fire and Rescue Authority (FRA). The Vice-Chairman and Workforce Information Officer added that the Fire Service were awaiting guidance from the Pensions Administration team on the backdating of the contracting out certificate to 6 April 2000 and suggested that an update be presented to the next meeting of the Board - detailing the effect on National Insurance contributions and the Modified Pension Scheme.
2. The Pensions Support & Development Manager explained that the Action in Fire Bulletin 24 concerning the sharing of the contact details of the pensions manager to the Bluelight Team would be addressed once the new Head of Pensions Administration was appointed.
3. The Chairman explained that the action in Fire Bulletin 25 regarding the 2020 Valuation for FRAs to mitigate as many data issues as possible, was being addressed through the reports on Firefighters' Pension Scheme Common Data Quality Statistics ORBIS, Firefighters' Pension Scheme Scheme-specific Data Quality Statistics ORBIS and Scheme Address Tracing to ensure that data held is up to date.
4. The Chairman provided an update on the Sargeant case which concerned discriminatory transitional arrangements on the basis of age, sex and race. As a result of the Sargeant case the Action in Fire Bulletin 27 for FRA's to identify members with relevant service, whether claimants or non-claimants was highly important.
5. In response to Member queries on the Sargeant case, the Workforce Information Officer:
  - Explained the interim order by the Employment Tribunal in December 2019, whereby claimants were treated as satisfying the age criteria regardless of their actual age as long as they met the other criteria within the scheme at 31 March 2012 and 31 March 2015. Claimants would automatically satisfy schedule 2, paragraph 12 within the Firefighters' Pension Scheme (England) Regulations 2014 whereby an active member of the 1992 Scheme would reach normal pension age or be eligible to be an active member of the NFPS at normal

pension age by 1st April 2022 - relevant information would go to the Scheme Manager imminently.

- Commented that both current Ill-Health and retrospective Ill-Health applications were a priority and would be assessed by Independent Qualified Medical Practitioners (IQMP) under the 1992 and 2015 Schemes. She reported that there had been a handful of such cases within the last five years.
  - Noted another area of priority regarding those who were treated as if they remained within the 1992 Scheme who wished to retire with immediate effect and met the eligibility requirements of being over 50 with 25 years' service, the 'rule of 75' - including service in the 2015 Scheme.
  - Reported the absence of further information from the Home Office, which was raised at the last Scheme Advisory Board (SAB) and noted that the factsheet detailing the interim order from the Employment Tribunal was unsatisfactory. The Fire Service was currently fact-finding to identify specific cases that were affected by the Sargeant case.
  - Informed Members that there were fifteen queries on the Sargeant case concerning what it meant in terms of repaying contributions for example. A Member acknowledged the actions taken by other Local Firefighters' Pension Boards to gain further detail on the Sargeant case and the Chairman agreed that the Board would write to the Home Office requesting more detail.
6. A Member outlined the further remedy for the Police Pension Scheme in January 2020 concerning the repayment of missing contributions. He surmised that the preferred option was to take repayments out of commutation when the scheme member retired and further remedy for the Firefighters' Pension Scheme would possibly be in spring or summer 2020. The Workforce Information Officer responded that members of the Modified Pension Scheme were repaying contributions over a period of time at approximately 2% a year.
  7. Members questioned how target dates were set regarding September to December 2019 Performance - for example Pension Sharing Orders had a target of 86 days for completion and work on a Deferred Benefit took 1 day when the target was 45 days. In response, the Pensions Support & Development Manager explained that for some areas of work the 'Days Difference' would be rated Red due to default target dates within the Service Level Agreement (SLA) - concerning payroll functions for example. The Pensions Support & Development Manager would look into how target dates were set in more detail.
  8. Members agreed with the Chairman's suggestion that the Board should adopt the same target dates based on the Local Government Pension Scheme (LGPS) so its SLA mirrors it, keeping the existing statutory deadlines for Transfers Out for example. The Chairman asked for Pension Adjustments to be completed by the next payroll, amending the target days to completion from one day as the actual days to completion were far higher causing the grading to be unnecessarily Red.
  9. The Chairman noted that areas of priority for completion were Transfers Out, Transfers In and Age Retirements and the Pensions Support & Development Manager commented that the expertise around firefighters' pensions caused a delay in work completion. He

noted that selectively outsourcing some administration work to Shropshire Council would be beneficial due to their expertise and resources. The Vice-Chairman added that under General Data Protection Regulations (GDPR), members of the Firefighters' Pension Scheme would be made aware of the use of Shropshire Council as they were a third party. The final Administration Agreement would shortly be finalised including a privacy notice.

10. The Chairman asked that 'Outstanding' cases within the Work in Progress Report be addressed, prioritising cases dating back to 2015.
11. In response to the Chairman, the Pensions Support & Development Manager would populate the Scheme Calendar in more detail.
12. The Pensions Support & Development Manager summarised the Scheme-specific Data Results noting the 1.7% decrease in the percentage of member records without a single scheme-specific data failure from the 2018 data. Data quality would be increased through Scheme Address Tracing. In response to the Chairman's query, he explained that concerning National Insurance (NI) data: Fail A meant there was no number recorded, Fail B meant there was a temporary NI number and Fail C meant the NI number was not in the right format.
13. The Vice-Chairman informed the Board that the Fire Service were trying to increase resources in the Modified Pension Scheme with more on-call staff and were reviewing the governance arrangements by focusing on data quality as a work stream. She noted that the outcome of the bid for Transformation funding would be known in late January 2020. The Chairman endorsed the bid and would approach the Cabinet Member for Finance and Cabinet Member for Community Safety, Fire & Resilience in support of the bid.
14. The Vice-Chairman said that selectively outsourcing administration to Shropshire Council was a positive step to ensure adequate resources to address data quality. In order to support the Retained Fire Project, she had recently met with representatives from Surrey County Council's Internal Auditors and Legal Services to discuss good governance by delineating the Board's Scheme of Delegation through identifying the future Scheme Manager - expected to be endorsed by full Council in March. The Board will be updated at its next meeting.
15. The Pensions Support & Development Manager commented that once the new Head of Pensions Administration was in position, there would be a plan for data improvement initially identifying priorities with more specialised areas such as the Modified Pension Scheme to follow.
16. The Pensions Support & Development Manager commented that Jardine Lloyd Thompson (JLT) had matched over 99% of membership for all Funds regarding Guaranteed Minimum Pension (GMP). In collaboration with HMRC, Contributions Equivalent Premiums (CEPs) were being reviewed although work was delayed.
17. Concerning Scheme Address Tracing, the Pensions Support & Development Manager informed the Board that the data analysts ITM were confident that individuals within the 'Traced Same <3 months' category were definitely residing in that address and individuals within the 'Traced New >3 Months' category would be fully traced. The seven 'No Matches' within the Retained Fire Project was concerning as those individuals could not be located after a full trace.
18. In response to the Chairman's query on 'Person Match', the Pensions Support & Development Manager explained that an individual was identified but no address could be matched. A Member asked if the Board could receive the names to try and identify the individuals. The

Workforce Information Officer noted that she had looked and could not locate the individuals using local data - GDPR permitting, the Board would receive that data.

19. The Pensions Support & Development Manager positively noted the appointment of a Project Manager for the Retained Fire Project and in response to a Member query he explained that the outcome of the McCloud and O'Brien cases was awaited and therefore the expected meeting in early January 2020 between the Government Actuary's Department (GAD) and the legal team Weightmans did not take place.
20. The Vice-Chairman discussed the issue of an individual who had not indicated whether they would be retiring despite having all the information required from the Fire Service before December 2019.

#### **RESOLVED:**

The Board noted the content of the report.

#### **Actions/further information to be provided:**

1. Pensions Administration will update the Board on the backdating of the contracting out certificate to 6 April 2000 - detailing the effect on National Insurance contributions and the Modified Pension Scheme.
2. Contact details of the new pensions manager will be provided to the Bluelight Team.
3. The Scheme Manager and Workforce Information Officer will identify members with relevant service, whether claimants or non-claimants as affected by the Sargeant case.
4. The Chairman will write to the Home Office requesting more detail on the Sargeant case.
5. The Pensions Support & Development Manager will look into how target dates were set in more detail.
6. The Board will adopt the same target dates based on the Local Government Pension Scheme (LGPS) so its SLA mirrors it - keeping any existing statutory deadlines. Pension Adjustments will be completed by the next payroll, amending the target days to completion from one day as the actual days to completion were far higher causing the grading to be unnecessarily Red.
7. The Pensions Support & Development Manager will address 'Outstanding' cases within the Work in Progress Report prioritising cases dating back to 2015.
8. The Pensions Support & Development Manager will populate the Scheme Calendar in more detail.
9. The Chairman will approach the Cabinet Members for Finance, and Community Safety, Fire and Resilience in support of the bid for the Transformation funding.
10. The Vice-Chairman will report back on actions to clarify Scheme Manager responsibilities, to be endorsed by full Council at a future meeting.
11. GDPR permitting, the Board will receive data on 'Person Matches' to try and identify the individuals without a matched address.

## **7/20 RISK REGISTER [Item 7]**

### **Witnesses:**

Ayaz Malik - Pensions Finance Specialist

### **Key points raised in the discussion:**

1. The Pensions Finance Specialist explained that the register contained the additional risk F21, which concerned the move out of County Hall. It was rated as Amber as the Pensions Administration team were unlikely to move to Woking. The Chairman noted that Property Services were looking into buildings near the existing site of County Hall in order to retain resources and expertise.
2. The Pensions Finance Specialist noted that risk F9i concerning the failure to notify staff of the Modified Pension Scheme had been updated to amend the typographical error in the residual risk section, it remained rated as Red.
3. The Chairman updated the Board on risk F18 regarding the failure to agree ownership for scheme manager responsibilities, which would remain as Red. He reported that there would be a change of membership with the Vice-Chairman leaving the Board to assume responsibility as the Scheme Manager.
4. The Chairman emphasised the importance of action A16/19 concerning the addition of a risk relating to data improvement.
5. A Member pointed out the typographical error in risk F19 concerning the potential breach in the cost 'ceiling' of the current valuation of the Firefighters' Pension Scheme, which should be amended to cost 'floor'.
6. A Member suggested that pensionable pay be added to the risk register and in response the Vice-Chairman noted that it was a priority. The definition of pensionable pay had been changed by the UK Fire Service in December 2019 to include backdating for members of the Firefighters' Pension Scheme 1992.

### **RESOLVED:**

The Board noted the content of the report, including changes to the scoring of current risks and the inclusion of additional risks and approved the Surrey Firefighter's Pension Scheme (FFPS) Risk Register.

### **Actions/ further information to be provided:**

The typographical error in risk F19 concerning the potential breach in the cost 'ceiling' of the current valuation of the Firefighters' Pension Scheme, will be amended to cost 'floor'.

## **8/20 REVISED TERMS OF REFERENCE DELEGATION OF ATTENDANCE TO SUBSTITUTES [Item 8]**

### **Witnesses:**

Lindsey Shaw - Workforce Information Officer

**Key points raised in the discussion:**

1. The Chairman introduced the report and reminded Members that the Audit and Governance Committee had approved the delegation of attendance to substitutes and it was for the Board to endorse it.
2. The Chairman stressed that Board Members including substitutes needed to be trained. The Workforce Information Officer commented that Members were entitled to one day of training per year and agreed that she would liaise with the Bluelight Senior Pension Adviser and Firefighters' Pension Adviser on a future date - Members concluded that a whole day session was preferred and such sessions provided invaluable updates to participants. Members asked to have a summary of major training areas that need to be covered.

**RESOLVED:**

The Committee adopted the proposed changes to the Terms of Reference (Version 3) to allow Local Firefighters' Pensions Board members to delegate attendance. This will ensure the Board can meet and will aid the development of potential future Board members.

**Actions/ further information to be provided:**

1. The Workforce Information Officer will liaise with the Bluelight Senior Pension Adviser and Firefighters' Pension Adviser on a future date for Member training.
2. The Pensions Finance Specialist will provide Members with a summary of the major training areas that need to be covered.

**9/20 EXCLUSION OF THE PUBLIC [Item 9]**

**RESOLVED:**

That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 3 of Schedule 12A of the Act.

**10/20 THE PENSIONS REGULATOR PUBLIC SERVICE GOVERNANCE AND ADMINISTRATION SURVEY 2019 [Item 10]**

**RESOLVED:**

The Board noted the Part 2 Survey.

**Actions/ further information to be provided:**

None.

**11/20 DATE OF THE NEXT MEETING [Item 11]**

It was agreed that the date of the next meeting was to be decided by Members subsequent to the meeting.

Meeting ended at: 11.22 am

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**Chairman**