

## Notice of Meeting

# Surrey Local Firefighters' Pension Board



**Date & time**  
Friday, 15 January  
2021 at 10.00 am

**Place**  
Remote via Teams

**Contact**  
Angela Guest  
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**Chief Executive**  
Joanna Killian

**Please note that due to the COVID-19 situation this meeting will take place remotely.**

**Please be aware that a link to view a live recording of the meeting will be available on the Surrey Local Firefighters Pension Board page on the Surrey County Council website. This page can be accessed by following the link below:**

<https://surreycc.public-i.tv/core/portal/webcasts>

**If you have any queries relating to accessing this agenda please email [angela.guest@surreycc.gov.uk](mailto:angela.guest@surreycc.gov.uk)**

### **Elected Members**

Mr Nick Harrison (Member Representative (Firefighters' Pension Scheme)) (Chairman)

### **Independent Representatives:**

Richard Jones (Employee Representative (Firefighter's Pension Scheme)), Glyn Parry-Jones (Employee Representative (Firefighters' Pension Scheme)) and Dan Quin (Employer Representative (Firefighters' Pension Scheme)) (Vice-Chairman)

## **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**

### **2 MINUTES FROM THE PREVIOUS MEETING: 18 NOVEMBER 2020**

(Pages 5  
- 10)

To approve the Minutes 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 (11/01/2021).
2. The deadline for public questions is seven days before the meeting (08/01/2021)
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

### **5 ACTION TRACKER**

(Pages  
11 - 18)

The Board is asked to review and note its action tracker.

### **6 ADMINISTRATION UPDATE:**

(Pages  
19 - 72)

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

### **7 TPR SURVEY RESULTS**

(Pages  
73 - 140)

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

**8 SCHEME MANAGEMENT UPDATE REPORT** (Pages 141 - 144)  
The Board are asked to note the report.

**9 RISK REGISTER** (Pages 145 - 148)  
The Board is asked to note the content of this report and to make recommendations of any amendments to the Surrey FFPS Risk Register.

**10 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 Schedule 12A of the Act.

**PART TWO – IN PRIVATE**

**11 PUBLICITY OF PART 2 ITEMS**

To consider whether the item considered under Part 2 of the agenda should be made available to the Press and public.

**12 DATE OF THE NEXT MEETING**

**Joanna Killian  
Chief Executive**

Published: Wednesday, 6 January 2021

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**MINUTES** of the meeting of the **SURREY LOCAL FIREFIGHTERS' PENSION BOARD** held at 1.00 pm on 18 November 2020 held remotely via Microsoft Teams.

These minutes are subject to confirmation by the Committee at its meeting on Friday, 15 January 2021.

(\* present)

**Elected Members:**

- \* Mr Nick Harrison (Chairman)
- \* Richard Jones
- \* Glyn Parry-Jones
- \* Dan Quin (Vice-Chairman)

**12/20 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

There were no apologies.

**13/20 MINUTES FROM THE PREVIOUS MEETING: [Item 2]**

The notes of the informal meeting held on 6 August were agreed as an accurate record of the meeting.

It was noted that minute 9c, regarding the 10% adjustment having its own entry on the risk register had not been actioned.

There was some discussion about the training for new members of the Board being completed before they could join discussions at the meeting. The Chairman noted the concern and stated that there was a need to be practical in such situations and that the same rule would apply for substitute representatives. The Scheme Manager pointed out the Terms of Reference were not that specific.

**14/20 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**15/20 QUESTIONS AND PETITIONS [Item 4]**

There were none.

**16/20 ACTION TRACKER [Item 5]**

**Witnesses:**

Sally Wilson, Scheme Manager

**Key points raised during the discussion:**

1. A Member requested that a copy of all advice and reports from Weightman's to the Service or Surrey County Council on pensionable pay with regard to tracker item A16/20, be shared with the Board. The
2. The Board requested that each item on the tracker be updated for future meetings and for old items in particular.

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

1. The Board concurred with the Member's request for copies of Weightman's reports which the Scheme Manager agreed to consider.
2. That the Action Tracker have an update for each item for each meeting.

**Resolved:**

The Board noted the action tracker.

**17/20 ADMINISTRATION UPDATE: 1 JULY 2020 - 30 SEPTEMBER 2020 [Item 6]**

**Witnesses:**

Tom Lewis, Pensions Support & Development Manager  
Lindsey Shaw, Workforce Information Officer  
Sally Wilson, Scheme Manager

**Key points raised during the discussion:**

1. The Pensions Support & Development Manager introduced the updated report and highlighted paragraph 7 relating to the successful delivery of the Annual Allowance Statement to members. The Board noted that the tracker stated that tracing would be done in May 2020 and asked if this was delayed due to Covid. It was thought that the comment may have referred to some other project as officers would not have known about these cases in May. The tracing was due to take place in January 2021.
2. The Pensions Support & Development Manager also spoke of the progress that had been made with regard to the 180 outstanding tasks in the administration system. The Chairman referred to the total number of cases in the KPI annex and asked if the 106 total outstanding cases would go down considerably for the next meeting as most of them were issues with transferring in or out. This was confirmed. The Chairman also stated that if someone asks for information about a transfer and it is supplied then the case should be closed down until the member made a decision to transfer. The Workforce Information Officer stated that a few people had made requests but were a long way off retirement. There were a few transfers to London Fire Brigade but these cases had been dealt with. The Chairman requested that she inform the Pensions Support & Development Manager of any members whose requests were delayed so they can be expedited.
3. The Pensions Support & Development Manager confirmed that the statutory TPR scheme return was scheduled to be completed by the deadline. He then went on to talk about bulletin 38 which had been received but was not on the agenda. The Chairman asked that any bulletins received before a meeting be included in the papers rather than waiting until the next meeting.
4. There was some discussion regarding the pensions helpdesk and the work being undertaken to support the helpdesk and deal with the staff shortage. It was reported that recruitment was being undertaken now and some leavers had been retained as bank staff to help with training

new staff. The Chairman requested an update on the backlog and on recruitment on a monthly basis from the end of November.

5. The Scheme Manager explained that she was looking at pension administration options for the future and was working with the procurement team to go out to market at the end of November. They would then be looking for a supplier in December with the aim to have them confirmed and in place by April 2021. She also explained that all policies were being reviewed to ensure they were compliant and current, and that governance arrangements were being reconfirmed to ensure that decisions were being made at an appropriate level. A written report would be forthcoming from the Scheme Manager to future meetings. She also confirmed that there was communication regarding the modified scheme and would be able to give the Board more detail at the next meeting.

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

1. That any bulletins received before a meeting be included in the papers rather than waiting until the next meeting.
2. The Chairman requested an update on the pensions helpdesk backlog, and on recruitment, on a monthly basis from the end of November.
3. That a written report from the Scheme Manager be presented to future meetings.

**Resolved:**

The Board **noted** the report.

**18/20 RISK REGISTER [Item 7]**

**Witnesses:**

Sally Wilson, Scheme Manager

**Key points raised during the discussion:**

1. It was confirmed that the Scheme Manager would be taking ownership and responsibility for the risk register and would ensure that it was updated for the next meeting. She had updated it for the meeting to remove duplications. Risk owners should also be updating their individual risks as appropriate.
2. Regarding risk F16 (Workforce strategy leads to changes in working arrangements without consideration of pensions implications), a Member highlighted there had been another incidence of a workforce change being made without consideration of pensions implications and the risk should be ranked red and the control measures broadened. The Scheme Manager stated that she would review the risk and mitigating actions and will continue to ensure pensions were considered going forward. The Scheme Manager also confirmed that she forms part of the Service Workforce Working Group for this purpose.

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

1. That the issues of 10%, resources and the O'Brien case show as separate risks and be rated accordingly.
2. Regarding risk F16, the risk and control measures should be reviewed.

**Resolved:**

The Board noted the risk register.

**19/20 PENSIONABLE PAY UPDATE AND DISCUSSION [Item 8]**

**Witnesses:**

Sally Wilson, Scheme Manager

**Key points raised during the discussion:**

1. The Scheme Manager introduced an update report on pensionable pay and highlighted that following taking of legal advice all those affected had received communication. Governance processes and financial implications had been reviewed. Further communications would be sent to members aligned to their individual circumstances and an email box had been set up to deal with concerns raised.
2. A Member stated that the last sentence of paragraph 2.2 was incorrect in that the Fire Brigade Union did consider this to be pensionable pay. The Scheme Manager, although not involved in historical discussions, explained that legal advice was taken at the time and this was the national picture.
3. A Member stated that the letter sent out regarding overpayment made no mention of entitlement to additional pension benefit and had caused confusion. He requested that a second letter be sent. The Scheme Manager explained that the letter was intended to highlight both and that it had been worked with legal colleagues. She assured the Board that future communications would be clear and undertook to update the 'Frequently Asked Questions' page.
4. A Member asked what criteria had been applied in determining which members should or shouldn't have their entitlement increased because of this or have all those that have either worked on the variable duty crewing system or on the day contracts since their inception in 2004 and 2008 been written to. The Scheme Manager confirmed that they had all been written to.
5. A Member asked what criteria had been applied to determine who would or wouldn't have to pay the difference in their pension contributions and how any underpayments on contributions were to be made. The Scheme Manager explained that this was being looked at and was part of the next steps to be taken and was happy to update outside of the Board meeting as well as to the next Board meeting. The Chairman requested that both happen.
6. A Member questioned why overpayments could be requested before underpayments had been paid to members. He also stated that the statute of limitations gives a limit of six years for underpayments and the legislation regarding overpayment is separate and has no limit. Therefore, payments need to be made quickly to members. The Scheme Manager explained that this was a complex process and these questions were being discussed at the project board but action was being taken as quickly as possible and not waiting until all the answers were known.
7. A Member stated that, in relation to the risk register, in April 2020 some members pay had been reduced and the variable crewing contract had ceased. Members that were working that contract until April could now be asked to pay overpayments but receive no pension benefits for that service on a final salary scheme. He also stated that members were



asking why they were being chased for payments when their contracts stated it was not pensionable and this influenced their signing to the contract and that they would receive no benefit for working that system. The Scheme Manager said that conversations were ongoing regarding pension implications and that the Council were obliged to work within the legal landscape which had changed. The Member was unhappy with this response and said that action should have started in 2011 and wants the Council to take this into consideration when asking for payments as many members were suffering financial hardship.

8. In response to a Member question the Scheme Manager confirmed that there was no timescale yet for when benefit payments would be made but work was being undertaken as quickly as possible. She also confirmed that the Project Board next meets in December.

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

1. That the Scheme Manager update the Board outside the Board meeting as well as to the next Board meeting.

**Resolved:**

The Board noted the report.

**20/20 DATE OF THE NEXT MEETING [Item 9]**

The next meeting will be held on 15 January 2021.

Meeting ended at: 2.22 pm

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**Chairman**



## SURREY LOCAL FIREFIGHTERS' PENSION BOARD ACTIONS AND RECOMMENDATIONS TRACKER

The actions and recommendations tracker allows Board Members to monitor responses, actions and outcomes against their recommendations or requests for further actions. The tracker is updated following each Board. Once an action has been completed, it will be shaded out to indicate that it will be removed from the tracker at the next meeting. The next progress check will highlight to members where actions have not been dealt with.

<b>KEY</b>			
	No Progress Reported	Action In Progress	Action Completed

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
18 October 2018 <b>A5/18</b>	Administration Update (1 March 2018 – 30 September 2018)	Officers are to provide members' reasons for opting out of the pension scheme.	Head of Pensions Administration	<p>The issue is to be looked at during the next phase of reenrolment.</p> <p>July 2020: No opt outs in the period.</p> <p>Oct – Nov 2020: x1 opt out. Member stated reduced salary due to sickness so unable to afford pension contributions</p> <p style="color: red;">Details of opt in and out to be included as part of the Admin quarterly report.</p>	Complete
14 October 2019 <b>A14/19</b>	Administration Update (1 June 2019 - 31 August 2019)	The Pensions Lead Manager is to present at the next meeting of the Board a summary of the service's findings regarding the administration and benchmarking review.	Head of Pensions Administration	<p>The Board to discuss the matter at the next meeting.</p> <p>17 Jan 2020 - 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.</p>	Complete

Item 5

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
				<p>July 2020: The Project Manager has picked this up with the Scheme Manager.</p> <p>July 2020: This was provided by tPR at the LPB wrap up training 2020 which took place on 8 July.</p>	
<p>14 October 2019</p> <p><b>A16/19</b></p>	<p>Risk Register</p>	<p>The Pensions Accountant Advisor is to add a risk relating to data improvement.</p>	<p>Project Manager</p>	<p>The data has been sent to FRSs and will be added to the Risk Register once confirmed by the CFO.</p> <p>July 2020: The Project Manager has picked this up as the risk register is not clear enough, regarding the problems with the data and what needs to be improved.</p> <p><b>Dec 2020: latest report included as an agenda item – to be agreed at the Jan 2021 meeting.</b></p>	<p>Ongoing</p>
<p>17 January 2020</p> <p><b>A1/20</b></p>	<p>Administration Update (1 September 2019 - 31 December 2019)</p>	<p>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.</p>	<p>Pensions Administration team</p>	<p>As per FPS Bulletin 24 - September 2019 HMRC have now written to all FRAs with regards to backdating their FPS 2006 scheme contracting out certificate to 6 April 2000. This is to allow HMRC to process the refund of National Insurance Contributions and to correct the contracted-out status. In a few cases HMRC have informed FRAs that they do not currently have a valid contracting out certificate for the FPS 2006 and this will first need to be applied for and then backdated. The relevant form to complete has been sent to each FRA by HMRC and is form APSS155b. The backdating should be from 6 April 2000. HMRC goes on to confirm that 'a notice of intention or explanation must be given to all employees and recognised trade unions and the notice period of up to 3 months must have expired'. On the assumption that some form of consultation took</p>	<p>Ongoing</p>

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
				<p>place with employees following the ruling about backdating membership HMRC will accept that as having given the necessary notice of intention or explanation.</p> <p>It has been confirmed that DCLG (now Home Office) consulted on changes to the scheme under the retained firefighters pension settlement consultation, so there is no need to issue anything further.</p> <p>In order to reduce the burden on FRAs with regards to providing information for these refunds to be made, it has been agreed with HMRC that only name, date of birth, NI number and period bought back needed to be provided. FPS Bulletin 2 and FPS Bulletin 3 provide more information. This topic was also covered at the special members refresher workshop [slides 52 and 53] to clarify that there was no discretion to not provide this information because it was needed for the HMRC GMP reconciliation project.</p> <p>July 2020: Weightmans are providing advice as part of other work given to them on Modified and 10% Scheme Allowances now we are ready to write back out to members.</p> <p>Dec 2020: Awaiting details of 2<sup>nd</sup> options exercise.</p>	

17 January 2020 <b>A7/20</b>	Administration Update (1 September 2019 - 31 December 2019)	The Pensions Support & Development Manager will address 'Outstanding' cases within the Work in Progress Report prioritising cases dating back to 2015.	Pensions Support & Development Manager	<p>The Pensions Administration team will discuss with the service on how to address the backlog.</p> <p>30/04/20 (informal meeting) - To be progressed in due course taking into account the national situation around Covid-19.</p> <p>January 2021: Plans for clearing the backlog of cases were shared in the previous admin update</p>	Ongoing
17 January 2020 <b>A8/20</b>	Administration Update (1 September 2019 - 31 December 2019)	The Pensions Support & Development Manager will populate the Scheme Calendar in more detail.	Pensions Support & Development Manager	<p>The Scheme Calendar is being populated.</p> <p>Dec 2020: scheme calendar is built and will take effect from January 2021.</p>	Complete
17 January 2020 <b>A11/20</b>	Administration Update (1 September 2019 - 31 December 2019)	GDPR permitting, the Board will receive data on 'Person Matches' to try and identify the individuals without a matched address.	<p>Pensions Support &amp; Development Manager</p> <p>Vice-Chairman</p>	<p>Data on 'Person Matches' have been included in Annex 3 to the Administration Update 1 January 2020 – 31 March 2020 under 'Scheme Address Tracing'.</p> <p>The full trace exercise is due to be complete and results returned by ITM by the end of April.</p> <p>30/04/20 (informal meeting) - An update will be provided on the results of ITM's full trace exercise regarding 'Scheme Address Tracing', due in the first week of May 2020.</p> <p>The member extract reports have been requested from the Systems Team which will then be supplied to our appointed tracing company ITM, once the agreement has been signed.</p> <p>It will then take up to 12 weeks from the date we send the information to ITM, which we expect to be by mid January. Based on the time lines, we are confident any</p>	Ongoing

				successful results will be supplied in time for the EOY ABS run.	
17 January 2020 <b>A14/20</b>	Revised Terms Of Reference Delegation Of Attendance To Substitutes	The Pensions Finance Specialist will provide Members with a summary of the major training areas that need to be covered.	Project Manager	Members will be provided with a summary of the major training areas that need to be covered in due course.  <b>Dec 2020: to be discussed at Jan 2021 meeting</b>	Ongoing
30 April 2020 <b>A15/20</b> <b>(Informal meeting due to Covid-19)</b>	Action Tracker	The Board to explore training offered by the Local Government Association (LGA) through its annual conferences and would look to reschedule the postponed Local Pension Board refresher training as soon as possible.	Workforce Information Officer	30/04/20 (informal meeting) – Due to the national situation around Covid-19 the Chairman postponed any Local Pension Board refresher training - discussions were had for possible sessions in June - until changes to the current restrictions. The Chairman discussed that the Local Government Association (LGA) offered training through annual conferences including the Firefighters' Pension Scheme (FPS), which would be explored.  <b>Dec 2020: to be discussed at Jan 2021 meeting</b>	Ongoing
30 April 2020 <b>A16/20</b> <b>(Informal meeting due to Covid-19)</b>	Action Tracker and Risk Register	<b>A)</b> Pensionable Pay particularly concerning Duty Systems will be added to the action tracker and key headlines and milestones from Weightmans regarding the project, will be shared with the Board once received.  <b>B)</b> A risk to be added to the Risk Register concerning Pensionable Pay - particularly in relation to Duty Systems.	Vice-Chairman/Workforce Information Officer	30/04/20 (informal meeting) - In response, the Vice-Chairman explained that she had approached Jane Marshall from Weightmans legal service who helped scope that work project, for a report. She noted that the Workforce Information Officer had recently chased a reply from legal colleagues who were not in receipt of Weightmans' report. The Vice-Chairman agreed that once the report was received, the Board would receive key headlines and milestones in relation to that project.  July 2020: The Project Manager initiated work to look at the allowances to find out what the Surrey County	Ongoing

				<p>Council situation looked like. He was mandated with a task to prioritise current members and gone back to Weightmans for further advice.</p> <p>An update on pensionable allowances was given to the November Board and a risk has been added to the risk register. The Scheme Manager update will provide the Board with regular updates.</p>	
<p>30 April 2020</p> <p><b>A18/20</b></p> <p><b>(Informal meeting due to Covid-19)</b></p>	<p>Administration Update (1 January 2020 – 31 March 2020) and Risk Register</p>	<p>Risk F20 will be amended to Red – Residual to reflect the termination of the contract negotiations with Shropshire Council, as the contract would have provided some mitigation to risk – refer to the action under Item 5 Administration Update (1 January 2020 – 31 March 2020).</p>	<p>Project Manager</p>	<p>July 2020: The Project Manager is undertaking some best practice and benchmarking work in this area.</p> <p>A team were used at the Lewes Office prior to their TUPE back to ESCC to work through a number of cases (as reported in the last committee meeting).</p> <p>Of the 180 tasks in the systems, 78 priority cases have been completed. There are approximately 50 tasks linked to general correspondence or the modified scheme which have been reviewed and can now be closed, as these are being picked up as part of the wider project.</p>	<p>Complete</p>
<p>30 April 2020</p> <p><b>A19/20</b></p> <p><b>(Informal meeting due to Covid-19)</b></p>	<p>Risk Register</p>	<p>The Pensions Support &amp; Development Manager to provide an update to the Board on both short and long term solutions to resourcing FPS Pensions Administration. This would include the impact on the Modified Pension Scheme, Pensionable Pay and payment of scheme member benefits as a result.</p>	<p>Project Manager</p>	<p><b>Dec 2020: to be discussed at Jan 2021 meeting</b></p>	<p>Ongoing</p>
<p>30 April 2020</p> <p><b>A20/20</b></p> <p><b>(Informal meeting)</b></p>	<p>Administration Update (1 January 2020 - 31 March 2020)</p>	<p>The Pensions Support &amp; Development Manager will liaise with the Head of Data, Digital &amp; Special Projects on the next steps concerning the Guaranteed Minimum Pension (GMP)</p>	<p>Pensions Support &amp; Development Manager/ Head of Data, Digital &amp; Special</p>	<p>No major changes. At this stage Mercer, our outsource company dealing with GMP, is still awaiting final data cut for SFRS. We are expecting to receive the project plan for rectification in January 2021 so we can begin planning our side.</p>	<p>Ongoing</p>



<b>due to Covid-19)</b>		reconciliation - the new Project Manager to assist.	Projects (Vice-Chairman)		
30 April 2020 <b>A21/20</b> <b>(Informal meeting due to Covid-19)</b>	Administration Update (1 January 2020 - 31 March 2020)	The Pensions Support & Development Manager will continue to liaise with Weightmans on the Retained Fire Project (RFP) and the implications of the Sargeant and McCloud cases.	Pensions Support & Development Manager	July 2020: The Project Manager notes that advice is being sought from Weightmans.  Dec 2020: to be included as part of Scheme Manager's report.	Complete
30 April 2020 <b>A22/20</b> <b>(Informal meeting due to Covid-19)</b>	Administration Update (1 January 2020 - 31 March 2020) and Risk Register	<b>A)</b> Pensions Administration will continue working with the legal team regarding the O'Brien case which was delayed until June, to await the possibility of a full options exercise rather than devising a Surrey-specific one - action under Item 5 Administration Update (1 January 2020 - 31 March 2020).  <b>B)</b> A risk also to be added to the Risk Register concerning the O'Brien case.	Pensions Administration	Dec 2020: to be included as part of Scheme Manager's report.	Complete
18 November 2020 <b>A23/20</b>	Administration Update	Pensions Administration to provide Board with monthly update on backlog and recruitment	Pensions Administration	Dec 2020: update provided in Admin report for Jan 2021.	Complete
18 November 2020 <b>A24/20</b>	Action Tracker	The Board concurred with the Member's request for copies of Weightman's reports which the Scheme Manager agreed to consider.	Scheme Manager		

18 November 2020 <b>A25/20</b>	Administration Update	That any bulletins received before a meeting be included in the papers rather than waiting until the next meeting.	Pensions Administration	Dec 2020: Due to time constraints the December bulletin will be added to the Jan 2021 agenda and officer commentary will be given verbally at the meeting.	Complete
18 November 2020 <b>A26/20</b>	Risk Register	That the issues of 10%, resources and the O'Brien case show as separate risks and be rated accordingly. (that the 10% is included as F24 on the Risk Register and the O'Brien case is included as F25 on the Risk Register, and resources should be added as a new risk in the Risk Register as they are to be addressed as part of the new outsourcing arrangements)	Scheme Manager		
18 November 2020 <b>A27/20</b>	Risk Register	Regarding risk F16, the risk and control measures should be reviewed.	Scheme Manager		
18 November 2020 <b>A28/20</b>	Pensionable Pay Update	That the Scheme Manager update the Board outside the Board meeting as well as to the next Board meeting.	Scheme Manager		



## Surrey Firefighters Local Pension Board 15 January 2021

### Administration Update 1 October – 30 November 2020

#### 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 October to 30 November 2020, and an update of performance and current issues is set out below and in the attached Annex.

#### **Administration Performance**

3. Details of all cases completed between 1 October to 30 November 2020 can be found at **Annex 1**.
4. As agreed at the previous Board meeting, the SLA reporting that is currently in place for Surrey LGPS has been adopted by Surrey Fire going forward.
5. This will include the new style report which includes number of outstanding cases at the start of the period, SLA performance and number of outstanding cases at the end of the period.

6. Colleagues from the East Sussex administration team have been supporting the clearance of backlog cases, specifically focussing on deferred benefits and transfers.
7. During the period 1 October to 18 December a total of 109 cases were reviewed and completed/terminated. This was a combination of new work received and clearance of outstanding casework.
8. There are currently 134 cases still open and waiting to be processed.

### **Pension Scheme Opt Outs**

9. It was agreed in October 2018 that Officers would provide members' reasons for opting out of the pension scheme.
10. In the period October to November 2020 there was 1 opt out. The member stated reduced salary due to sickness so unable to afford pension contributions.

### **Fire Bulletins**

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

11. Bulletins [38](#), [39](#) and [40](#) (**Annex 2**) have been published since the last Board meeting.
12. Bulletin 38 contained reference to a draft note with additional information to FRAs on the key considerations on implementing the Home Office informal guidance on immediate detriment.
13. Bulletin 38 also commented on the UK government recognising that retained firefighters have the right to elect to become a special member of the 2006 scheme from the start date of their employment rather than 1 July 2000.
14. Bulletin 38 confirmed that it is the responsibility of the Fire and Rescue Authority to pay a scheme sanction charge on an unauthorised payment, and that there is no provision to deduct the SSC from the member.
15. Bulletin 39 confirm that the protected pension age easement will not be extended and would expire on 1 November 2020. HMT have confirmed that the expiration of the exemption remains unchanged and that there are currently no plans to change this approach. Those who have returned to support the government's response to COVID-19 before 1 November will however not lose their protected pension age if they continue working after that date. This pension age is protected irrespective of whether they move jobs or employers.
16. The Board may recall that questions have been previously asked as to whether a firefighter being identified with a positive case of COVID-19 would be treated as a qualifying injury for the purposes of eligibility to benefits under the compensation

scheme, and the Home Office were asked to provide clear assurances that any firefighter who dies from COVID-19 will be recognised as having died from a qualifying injury.

17. Bulletin 39 contained the following statement from the Home Office: “The Home Office is unable to provide such assurances as this this would interfere with the established legal process for determining an entitlement to awards payable under the FCS and may set unhelpful future precedents. The responsibility for making such decisions rests with employing FRAs, who are best placed to consider the relevant facts in each case.
18. In Bulletin 39 it was stated that the results of the 2019 Governance and Administration survey have now been published by The Pensions Regulator (TPR). The performance of the Firefighters’ Schemes is commented on throughout and the Scheme Advisory Board will consider any further actions they may take. The TPR six key processes factsheet will be updated to reflect the latest performance and give further guidance to FRAs in order to achieve a higher rate of understanding and compliance ahead of the 2020 survey.
19. This Bulletin also commented on DB schemes having to equalise past GMP transfers. On 20 November 2020, the High Court ruled that trustees who do not equalise a member's guaranteed minimum pension (GMP) benefits at the time of calculating a cash equivalent transfer value (CETV) have committed a breach of duty. Defined benefit (DB) schemes providing GMPs should revisit historic CETVs made in the past 30 years and top them up where necessary. The judgment does not force organisations to actively correct all pensions transfers, however, employers may look to do so to avoid legal proceedings from members affected. This latest judgment on GMP equalisation follows the initial judgment made in October 2018 involving Lloyds banking group. The LGA are discussing implications for the FPS with the Home Office.
20. Readers were asked to note an **action** in Bulletin 40: **2020-21 statutory levy**: FRAs to provide a valid purchase order number for invoicing of the annual levy, based on the number of employees eligible to join one of the Firefighters’ Pension Schemes at 1 April 2020.
21. Bulletin 40 also contained a joint statement by the Home Office and LGA Bluelight Team regarding public service pensions age discrimination. The note is intended to outline next steps for delivery of the remedy. It states that it is essential that Fire and Rescue Authorities start the process of considering what technology/administration processes will be required to implement the remedy.
22. Standard wording was provided by HMT to include in all Cash Equivalent Transfer Quotes issued prior to remedy.

## Common and Scheme Specific Data Reports

23. In October Heywood's provided the Common and Scheme Specific data quality analysis reports for the Surrey Fire scheme (see **Annex 3**).
24. The percentage of member records without a single common data failure within the Pension Regulator's (TPR) definition of common data is **97.5%** and this is the figure that TPR will be requesting on the scheme return. This represents an improvement over the 2019 score of 85.8%.
25. The percentage of member records without a single scheme-specific data failure is **82.2%** and this is the figure that TPR will be requesting on the scheme return. This represents an improvement over the 2019 score of 72.1%.

## Pensions Helpdesk

26. The Pensions Helpdesk are currently experiencing a high volume of e-mail enquiries (due in part to customers e-mailing documents that would normally be posted pre Covid-19) and response times are longer than normal. There is an auto acknowledgement message on the mailbox explaining the current delays.
27. The Pensions Administration Team (PAT) are supporting the Helpdesk in identifying e-mails that should be directed to PAT i.e. retirement claim forms, transfer forms etc. and where we can update correspondence, so the correct mailbox is used going forward. The Helpdesk have recently recruited some new agents which will take them back up to a full complement of staff, in addition some temporary agents have been recruited to support with the clearance of the e-mail backlog.

## Summary

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

---

**Report contact:** Clare Chambers and Tom Lewis

### Contact details:

T: 07779 971634 E: [clare.chambers@surreycc.gov.uk](mailto:clare.chambers@surreycc.gov.uk)

T: 07583 072853 E: [tom.lewis@surreycc.gov.uk](mailto:tom.lewis@surreycc.gov.uk)

### Sources/background papers:

Surrey Local Pension Board Terms of Reference

### Annexes

Annex 1 – SFRS Oct - Nov 2020 KPI Report

Annex 2 – FPS Bulletins 38, 39 and 40

Annex 3 – Common and Scheme Specific Data Reports

ADMINISTRATION PERFORMANCE REPORT (1) January 2021

ADMINISTRATION - ONGOING WORKFLOW

1 October - 30 November 2020											
No	Description	Performance standard	Tolerable performance*	No of cases received	No of cases completed	No of cases completed within SLA	Percentages of cases completed within SLA (Score and RAG)	Average time from start to finish to complete cases (in days)	Number of cases outstanding (total backlog) end of previous quarter	Number of cases outstanding (total backlog) end of this quarter	Note: Represents difference in completed cases as data is sourced from 2 separate reports. If figure in column L is debited from outstanding balance, the figures will balance.
<b>OW 1 OVERVIEW</b>											
OW 1.1	TOTAL SURREY CASES Total number of cases in period	N/A		32	28	12	38%	606	93	97	
OW 1.3	SCHEME MEMBERSHIP Number of members in the Surrey LGPS	N/A		1,759							
	Active members	N/A		620							
	Deferred members	N/A		211							
	Pensioner members	N/A		928							
<b>OW 2 CASELOAD DETAIL</b>											
OW 2.1	NEW STARTER New scheme member to be set up on Altair, check payroll details, request any transfers and send a statutory notice sent to the member.	30 working days	80%	2	2	N/A	N/A	N/A	0	0	
OW 2.2	DEFERRED STATUS Calculate pay, check membership, calculate deferred benefits, update Altair and issue a benefit statement.	2 months	80%	4	14	4	100%	456	24	14	
OW 2.3	RETIREMENT (INITIAL NOTIFICATION) Calculate pay, membership and retirement benefits and send initial letter and forms to member.	15 working days	80%	1	0	N/A	N/A	N/A	0	1	
OW 2.4	RETIREMENT (COMPLETE) upon receipt of all the forms and pay the retirement grant, update Altair, set up the pension on the payroll and send a benefit statement to the member.	15 working days	85%	1	0	N/A	N/A	N/A	1	2	
OW 2.5	DEATH NOTIFICATION Stop any pension, send condolences letter, request details of any dependent / beneficiaries and send claim forms for any balance / overpayment / Death Grant.	5 working days	90%	6	4	4	67%	1	3	5	
OW 2.6	SURVIVOR'S PENSIONS Upon receipt of all relevant certificates, forms and supporting evidence set up all survivor's pensions on the payroll and send each beneficiary a pension statement.	10 working days	90%	1	0	N/A	N/A	N/A	0	1	
OW 2.7	DEATH GRANT PAYMENT Upon receipt of all the certificates, claim forms and details of potential beneficiaries the Death Grant and any balance of pension should be paid and the return of any overpayment requested. The Pension Section should notify the relevant parties of any payments / decisions in writing.	10 working days	90%	0	1	1	100%	0	2	1	
OW 2.8	ILL HEALTH RETIREMENT (INITIAL) Upon receipt of all the relevant documents, send an estimate and the claim forms and request the certificates.	15 working days	90%	0	0	N/A	N/A	N/A	0	0	
OW 2.9	ILL HEALTH RETIREMENT (COMPLETE) Upon receipt of all forms / certificates, update Altair, pay the retirement grant, set up the pension on the payroll and update Altair.	15 working days	90%	0	0	N/A	N/A	N/A	0	0	
OW 2.10	MEMBER CORRESPONDENCE Respond to member queries (Helpdesk)	Note: These are all calls taken for Surrey and not split out between LGPS and Fire	70%	2,825	N/A	N/A	FPF = 93%	N/A	N/A	N/A	
OW 2.11	REFUNDS Check the record, calculate the refund due and make payment	20 working days	80%	0	0	N/A	N/A	N/A	0	0	
OW 2.12	FIRE TRANSFER IN (ESTIMATE) Upon receipt of the service statement, check the service details and inform the member of the option to transfer and advise them of the timescales.	20 working days	80%	3	0	N/A	N/A	N/A	3	6	

OW 2.13	FIRE TRANSFER IN (ACTUAL) Check that the membership and payment received is correct, update Altair and send a service statement to the member.	20 working days	80%	1	0	N/A	N/A	N/A	8	9	
OW 2.14	NON-FIRE TRANSFER IN (ESTIMATE) Check the transfer quotation and inform the member of the service / pension credit it would purchase, the option to transfer and the relevant timescales.	20 working days	80%	2	0	N/A	N/A	N/A	25	27	
OW 2.15	NON-FIRE TRANSFER IN (ACTUAL) Check that the payment and the details are correct, update Altair and send a service statement to the member.	20 working days	80%	0	0	N/A	N/A	N/A	0	0	
OW 2.16	FIRE TRANSFER OUT (ESTIMATE) Send deferred benefit statement to the new employer.	20 working days	80%	0	0	N/A	N/A	N/A	3	3	
OW 2.17	FIRE TRANSFER OUT (ACTUAL) Make payment to the new administering authority after twelve months / upon receipt of member's election and update Altair.	20 working days	80%	5	3	3	60%	0	5	7	
OW 2.18	NON-FIRE TRANSFER OUT (ESTIMATE) Upon request send transfer quotation and discharge forms.	20 working days	80%	6	3	0	0%	110	18	21	
OW 2.19	NON-FIRE TRANSFER OUT (ACTUAL) Check that all the discharge forms have been completed correctly, check tPA register, make payment and update Altair.	20 working days	80%	0	1	0	0%	39	1	0	





## FPS Bulletin 38 – October 2020

Welcome to issue 38 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended for the time being due to restrictions on travel and social distancing. However, the Bluelight team are available at home by mobile, email or video (MS Teams, Skype, or Zoom).

If you are looking for information on a certain topic, issue and content indexes are held on the [main bulletin page](#) of the website and are updated following each new issue.

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

Table 1: Calendar of events

Event	Date
<a href="#">FPS coffee and catch up</a>	Every second Tuesday from 3 November 2020
Eastern regional FPOG	19 November 2020
SAB	10 December 2020
North East regional group	17 February 2021
SAB	11 March 2021
SAB	24 June 2021
SAB	9 September 2021
SAB	9 December 2021

## Actions arising

Readers are asked to note the following actions arising from the bulletin:

[Immediate detriment request for information](#): FRAs in England to submit numbers of members who qualify for immediate detriment.

## FPS

### Age discrimination consultation responses

Between 16 July and 11 October 2020, HM Treasury (HMT) consulted on changes to the transitional arrangements of the unfunded public service pension schemes introduced in 2015.

On 9 October, responses were submitted by the LGA and Scheme Advisory Board (SAB). These responses can be found on our dedicated [age discrimination remedy webpage](#), along with the submissions from the Wales and Scotland SABs.

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### **Immediate detriment information note**

We advised in [FPS Bulletin 37 – September 2020](#) that we had drafted a note to provide additional information to FRAs on the key considerations on implementing the Home Office informal guidance on immediate detriment.

The [LGA immediate detriment information note](#) and accompanying [template matrix](#) have now been published and can be found on the [Age Discrimination Remedy \(Sargeant\) page](#).

Please note that each FRA's nominated contact for the Sargeant litigation will have further information in order to inform your authority's approach to immediate detriment cases. This is for reasons of legal privilege. Please ensure that you liaise with the nominated contact for your FRA before taking any action.

### **Special Members of FPS 2006 - Second options exercise**

We understand stakeholders are keen to receive updates on the expected second special members options exercise, sometimes referred to as Matthews or O'Brien. While at this stage we cannot provide more definitive information, we have published a new [special members factsheet](#) which provides a brief background on the introduction of special members and comments on the expectations of a second exercise.

Special members were introduced to the Firefighters' Pension Scheme 2006 (FPS 2006) in 2014, following [Matthews v Kent and Medway Towns Fire Authority \[2006\] UKHL 8](#) which allowed retained firefighters employed between 1 July 2000 and 5 April 2006 to join the FPS 2006 with retrospective effect to 1 July 2000.

Following the [European Court of Justice's decision in O'Brien v Ministry of Justice](#) which is a case concerning [fee paid judges in the Judicial Pension Scheme](#), the UK Government have recognised the right for retained firefighters employed before 1 July 2000 to elect to become a special member from the start date of their employment.

This will necessitate a second options exercise, for which legal discussions have commenced between central government, the LGA on behalf of FRAs and trade union legal representatives to consider who is in scope and the details of the settlement exercise.

Regulations for England will be drafted and consulted on following the conclusion of the legal discussions. It is expected further regulations and consultations for the devolved governments will follow later. Unfortunately, no timescales are known at this stage.

There is no further action needed at this time by FRAs or their administrators.

### **Scheme sanction charge**

From time to time we have been asked to clarify who pays the [scheme sanction charge](#) on an unauthorised payment. We can confirm that this is the responsibility of the Fire and Rescue Authority as [sub scheme administrator](#). Further we can confirm that:

- There is no provision to deduct the scheme sanction charge from the member, unless the scheme rules provide for it which the FPS does not, and
- The scheme sanction charge is payable from the operating account and is **not** chargeable to the notional pension fund.

More information on frequently asked questions for scheme sanction charge can be found under *Unauthorised payments* in the technical queries log published monthly on the [technical queries page](#).

### **Medical retirement IQMP certificates**

We have been receiving an increased level of enquiries related to medical retirement certificates for use by IQMPs.

Medical retirement is leaving employment from the FRA under either ill-health retirement or injury. Ill-health retirement can and often does occur on its own. Injury retirement occurs due to a direct result of the firefighter's work and will always also trigger ill-health retirement.

An injury pension is paid under the regulations of the [Firefighters' Compensation Scheme 2006](#) (FCS 2006). The amount of benefit payable does not depend on what pension scheme the member may be in, however, it will be calculated in reference to the service attributable to the employment in which the injury is received.

Ill-health retirement occurs under the pension scheme rules, and benefits may be different depending on the pension scheme the member is in:

- Firefighters' Pension Scheme 1992 (FPS 1992)
- Firefighters' Pension Scheme 2006 - Standard and Special members (FPS 2006)
- Firefighters' Pension Scheme 2015 (FPS 2015)

Which ill-health form to use is not laid down in legislation, subsequently it is for FRAs to satisfy themselves that the forms meet the requirements of the legislation and that the IQMP has answered the relevant questions.

In 2009, following meetings of an [ill-health review group](#), a form was developed that brought together the requirement to consider redeployment as a result of the [Marrion case](#), and the different rules and eligibility for FPS 1992, FPS 2006 and FCS 2006.

In 2015, following feedback that the forms were unwieldy to use and had led to errors of interpretation the forms were simplified and separated across the schemes. The new forms considered the questions for IQMPs only and did not try to give guidance on employment considerations.

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Those forms are held on the password-protected [ill-health and injury webpage](#) and **must** be downloaded each time to ensure the most recent version of the form is being used.

Each approach to the forms has pros and cons and the SAB are considering a programme of work to ensure that more resources and information about medical retirement are readily available to FRAs and members. More detail can be found in the [minutes of the SAB meeting of 13 June 2019](#).

This work may take some time and may be impacted by the Court findings in the age discrimination case known as Sargeant and the resulting [HMT consultation on age discrimination](#) in public service schemes.

In the short term we are drafting a short summary factsheet on medical retirement issues and will be making some changes to the forms. We will advise a timescale for this work in the next bulletin.

### **Fire and Rescue workforce and pensions statistics published**

The Home Office published [workforce and pensions statistics](#) for Fire and Rescue Services (England) on 22 October 2020. The pension scheme statistics, covering April 2019 to March 2020, reflect data returns on income, expenditure and membership submitted by all 45 FRAs in England.

Some key results:

- Firefighters' Pension Scheme expenditure in 2019-20 was around £908 million.
- In 2019-20, 80 per cent of expenditure was "recurring outgoing payments" and 19 per cent was "commutation payments". "Transfers" and "miscellaneous expenditure" totaled less than 1 per cent
- Firefighters' Pension Scheme income in 2019-20 was around £387.5 million.
- Employer contributions nearly doubled from £135 million in 2018-19 to £260 million in 2019-20 as a result of changes to the discount rate set by HM Treasury from April 2019.
- In 2019-20, 67 per cent of income was "employer contributions", 30 per cent was "employee contributions" and the remaining 3 per cent comprised transfers, miscellaneous income and ill-health charges.
- The Firefighters' Pension Scheme deficit in 2019-20 was around £520 million.
- As at 31 March 2020, the total number of pensioner members was 46,228. Of these, 94 per cent were members of FPS 1992.

### **Website and resources update**

We have added the following page to the Firefighters' Pension Schemes Regulations and Guidance website this month:

[Consultations](#). This page has been created to hold consultations on the FPS and wider public service pension schemes.

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The following factsheets for members have been updated for the current financial year by the LGA Bluelight team in collaboration with the Fire Communications Working Group (FCWG) and are available from the website:

[Annual Allowance](#)

[Topping up your State Pension](#)

### **October query log**

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey shaded to differentiate from new items. New queries have been added under the following categories: compensation scheme, ill-health retirement, Protected Pension Age, and salary sacrifice (updated).

## **FPS England SAB updates**

### **Immediate detriment request for information - reminder**

In [FPS Bulletin 37 – September 2020](#), the SAB asked for information on the number of members who are likely to become eligible for payment of benefits under the terms of the [Home Office immediate detriment note](#). This includes:

- Any member refused ill-health retirement under the FPS 2015 as the lower ill-health criteria was not met.
- 1992 transition members of FPS 2015 who reach age 55 before 31 March 2022.
- 1992 transition members of FPS 2015 who reach 30 years' service before 31 March 2022.
- 1992 transition members of FPS 2015 who will have 25 years+ service and be over 50 by 31 March 2022.

The SAB also want to understand what percentage of the FPS 2015 membership within the immediate detriment (ID) category are likely to be affected by complicating factors, such as divorce or transfers.

To date we have only received responses from eight FRAs.

The SAB kindly request that FRAs complete the [ID information sheet](#) by 30 November 2020. Please note that clicking the link downloads an Excel spreadsheet. Completed returns should be submitted to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### **SAB levy 2020-21 update**

We informed readers in [FPS Bulletin 35 – July 2020](#) that collection of the SAB levy would begin in August/ September.

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The budget remains with the minister's office, so we have not yet been able to request purchase order numbers from FRAs. We are continuing to chase this up with the Home Office.

## Other News and Updates

### Restriction of exit payments in the public sector

[The Restriction of Public Sector Exit Payments Regulations 2020](#) come into force on 4 November 2020.

As expected, the regulations have limited application for the FPS, as exemptions apply to two of the exit payments which would otherwise fall within the scope of the £95,000 cap: [enhanced commutation](#) (FPS 1992) and [Authority Initiated Early Retirement \(AIER\)](#) (FPS 2006 and FPS 2015) on fitness grounds.

In some limited circumstances of AIER the cap would still apply and we understand that the Home Office is working with the Government Actuary's Department (GAD) to establish how the assessment against the cap can be undertaken for the fire scheme. This will be achieved either through regulatory change or statutory GAD guidance.

### Public Service Pensions GMP indexation consultation

On 6 April 2016, the government introduced the new State Pension which removed the mechanism that enabled public servants in "contracted-out" employment between 1978 and 1997 to have their Guaranteed Minimum Pension (GMP) fully price protected. The interim solution of full indexation was brought in, which was later consulted on and extended until 5 April 2021. This ensured that public service pensioners had the GMPs they had earned in public service fully indexed by their public service pension scheme.

On 7 October the government published a consultation on [Public Service Pensions: GMP indexation](#). The consultation sets out how the government proposes to ensure it continues to meet its past commitments to public service employees regarding the full indexation of public service pensions, including for any GMP element.

The consultation will last for 12 weeks and closes on 30 December 2020.

The consultation and supporting [written ministerial statement](#) can be found on the new [consultations page](#) of the Regulations and Guidance website.

The LGA will be responding in due course.

### Update on TPR scheme return 2019-20

We reported in [FPS Bulletin 36 – August 2020](#) that the Pension Regulator's (TPR's) statutory scheme return was scheduled to be released in Autumn in line with the usual timescales.

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TPR has advised us that the scheme return campaign for public service schemes has been slightly delayed and notices are now due to be sent out during week commencing 2 November 2020.

### **TPO factsheet: Complaining to TPO on behalf of a deceased's estate**

On 19 October the Pensions Ombudsman (TPO) published a factsheet for survivors who may want to bring or continue a complaint on behalf of the deceased's estate.

Factsheet: [Complaining to TPO on behalf of a deceased's estate](#).

### **Pensions Dashboard Programme update**

On 28 October 2020 the Pensions Dashboard Programme (PDP) published its [second progress update report](#). The report summarises the work the PDP has undertaken since April 2020 and sets out a timeline for the development of the project.

## **Events**

### **Local Pension Board virtual training**

We are attending an increasing number of virtual pension board meetings to provide an update on current issues affecting the FPS and how to use the [six key areas of governance](#) as measured by TPR to support the scheme manager through various complexities, such as Sargeant / Matthews, pensionable pay, and ill-health decisions.

If you would like to arrange a session for your board, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### **FPS coffee mornings**

We are continuing to run our MS Teams coffee mornings every second Tuesday while social distancing measures remain in place. These informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

The next event is scheduled to take place on 3 November 2020.

If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) and we will add you to the invite list for the sessions.

## **HMRC**

### **HMRC newsletters/bulletins**

On 6 October HMRC updated [pension schemes newsletter 124](#) to confirm that the protected pension age easement in relation to COVID-19 will not be extended and will expire on 1 November 2020.

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HMT has previously confirmed that anyone re-employed between 1 March and the deadline would be deemed as having satisfied the re-employment conditions, regardless of how long the employment lasted. Therefore, we understand that the PPA easement ceases to apply for any new appointments from 1 November 2020.

## Legislation

### SI number    Reference title

2020/122    [The Restriction of Public Sector Exit Payments Regulations 2020](#)

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPS member site](#)

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While every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring any perceived errors or omissions to the attention of the Bluelight team by emailing [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

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## FPS Bulletin 39 – November 2020

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

Table 1: Calendar of events

Event	Date
<a href="#">FPS coffee and catch up</a>	Every second Tuesday from 1 December 2020
Fire Communications Working Group	7 December 2020
SAB	10 December 2020
CIPFA remedy engagement webinar	15 December 2020
North East regional group	17 February 2021
SAB	11 March 2021
SAB	24 June 2021
SAB	9 September 2021
SAB	9 December 2021

## Actions arising

Readers are asked to note the following actions arising from the bulletin:

[2020-2021 statutory levy](#): FRAs to provide a valid purchase order number for invoicing of the annual levy, based on the number of employees eligible to join one of the Firefighters' Pension Schemes at 1 April 2020.

## FPS

### Medical Appeal Boards service update

Readers may have been aware that Duradiamond, the current contracted provider of Medical Appeal Boards, suspended appeal hearings for three months from the end of March due to COVID-19.

In July, hearings recommenced on a limited basis in London.

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Duradiamond provided the following service update by email on 13 November 2020:

"We are writing to advise that following a meeting with the Home Office this week, we are beginning to open up regional venues in response to appeal demand.

- We will initially open up Manchester and Leeds and pending cases which have these locations as their venue of choice will be booked accordingly.
- Edinburgh, Birmingham and Bristol are in the process of being confirmed and opened and we will be in touch as soon as the allocated venues have confirmed that they remain open to take bookings whilst Lockdown 2 is in effect.
- Regional venues are being reviewed monthly whilst any lockdown and/or COVID-19 tier structure is in place and an update will be provided to all stakeholders on a monthly basis.

We would also like to update you with regard to remote appeals. At present remote attendance is not able to be accommodated, whether that be remote attendance by any party or a full remote board. Following submission of a proposal regarding the provision of remote hearings (in any format) to the Home Office earlier in the year, the Home Office agreed at our meeting yesterday to support Duradiamond in exploring this undertaking. Duradiamond is setting up a project team to assess the feasibility and practicality of delivering any form of remote service in a secure and confidential manner. Duradiamond is aware that the HMCTS (HM Courts and Tribunals Service) is already trialling audio and video technology capability. We will keep you updated on a monthly basis as the project progresses."

### **Protected Pension Age – HMT easement ended**

You may recall that earlier in the year the tax rules for [protected pension age](#) were relaxed. That meant that for any FRA re-employing a retired firefighter under age 55 and in receipt of a pension from the FPS 1992, they didn't need a month's gap in employment to keep their protected pension age or face tax charges of potentially up to 70 per cent of their lump sum and pension. This was only where re-employment was in relation to COVID-19.

On 6 October HMRC updated [pension schemes newsletter 124 - September 2020](#) to confirm that the protected pension age easement will not be extended and would expire on 1 November 2020.

HMT have confirmed that the expiration of the exemption remains unchanged and that there are currently no plans to change this approach. Those who have returned to support the government's response to COVID-19 before 1 November will however not lose their protected pension age if they continue working after that date. This pension age is protected irrespective of whether they move jobs or employers.

More information can be found on our [COVID-19 and the FPS webpage](#).

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## Compensation Scheme – Qualifying Injury COVID-19

Readers will recall that questions have been previously asked as to whether a firefighter being identified with a positive case of COVID-19 would be treated as a qualifying injury for the purposes of eligibility to benefits under the compensation scheme, and the Home Office were asked to provide clear assurances that any firefighter who dies from COVID-19 will be recognised as having died from a qualifying injury.

The Home Office have confirmed the following statement:

“The Home Office is unable to provide such assurances as this this would interfere with the established legal process for determining an entitlement to awards payable under the FCS and may set unhelpful future precedents. The responsibility for making such decisions rests with employing FRAs, who are best placed to consider the relevant facts in each case.

FRAs should note that the [IQMP guidance](#) for the firefighters’ pension schemes and compensation scheme clearly sets out the processes that employers should follow when making a decision on scheme members’ ill-health/injury/death entitlements. Paragraph 3.27 of the guidance sets out that when a case is being referred to an IQMP the employing FRA should state whether or not they accept that the injury/death being considered should be treated as a qualifying injury. This process allows employing FRAs to provide their views on whether any firefighter’s death should be treated as a qualifying injury. As explained above, employing FRAs are best placed to consider the detailed facts in each case in order to make these decisions”

In order to make a decision with regards to whether COVID-19, which is widely present in the general population, has been contracted specifically due to conditions in the workplace, the FRA will need to consider each case on a case by case basis in light of the full facts and a blanket approach would not be appropriate.

In considering whether COVID-19 was contracted ‘in the exercise of duties as a firefighter’ FRAs would need to take several matters into account including but not limited to:

- Whether the incident has been taken into account for sick pay purposes.
- The work (and/or leave) pattern for the individual, being mindful of incubation times.
- Known COVID situations in any incident/location attended.
- Colleagues within the same Crew/Watch known to have been infected in the same timeframe.
- Known results whether positive or negative tested at any point over the relevant timeframe for the case in hand
- Any instruction by the FRS not to attend work within the relevant timeframe because of contact with a colleague who had come into work at a point when they would have been infectious
- FRA risk control measures, such as PPE, Distancing, Hygiene, Work Bubbles etc

- Medical reports

The [HSE advice in RIDDOR](#) (the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) includes information about making a judgement and reasonable evidence for their purposes.

### **FPS England actuarial factors and guidance notes**

HM Treasury reduced the SCAPE discount rate from 2.8% to 2.4%pa above CPI from 29 October 2018. As a result of the change, the Government Actuary's Department (GAD) undertook a [factor review](#) for the Firefighters' Pension Schemes.

Over the following 12 to 18 months, new factors and guidance notes were issued to FRAs. It has recently come to our attention that the guidance notes for transfers-in and pension sharing on divorce in respect of FPS 2015 were not distributed at that time. We are pleased to now include them below.

- [FPS 2015 Individual Cash Equivalent Transfers – factors and guidance](#)
- [FPS 2015 Pension Sharing on Divorce – factor and guidance](#)

In addition, the following updated factors and guidance have been provided in November:

- [FPS 1992 and FPS 2006 CPD Additional Pension Benefit – factors and guidance](#)
- [FPS 1992 and FPS 2006 CPD Pension Factors](#) (Excel spreadsheet download)

CPD factors (Table X-801) have been extended to begin at age 20 in advance of remedy implementation.

- [FPS 2015 Early payment reductions – factors and guidance](#)
- [FPS 2015 Early Retirement Factors – Deferred members](#) (Excel spreadsheet download)

Early retirement factors for deferred members of FPS 2015 (Table x-403) have been extended to 13 years to allow for members with a State Pension age of 68.

The [consolidated factor workbook](#) has been updated to take account of the changes. All factor tables and guidance notes can be found on our dedicated [GAD guidance webpage](#).

### **FPS 2006 special member tax relief requests**

In [FPS Bulletins 10 - July 2018](#) and [11 - August 2018](#) we advised FRAs of a request from HMRC for information to be provided directly to them with regards to tax relief claims for special members of the FPS 2006. HMRC have now completed their investigations directly with the Home Office and there is no further action for FRAs to take.

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Members should not be directly contacted by HMRC with regards to any tax relief claims made due to becoming a special member. If you are aware of any member receiving a request for payment please refer this to us via [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### **November query log**

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey shaded to differentiate from new items. New queries have been added under the following categories: contribution banding.

## **FPS England SAB updates**

### **SAB levy 2020-21 – Request for Purchase Order numbers**

Following our update in [FPS Bulletin 38 – October 2020](#), we are pleased to confirm that the SAB budget for 2020-21 has received ministerial approval and we can now start the invoicing process.

In 2014, FRAs entered a shared arrangement to fund a technical adviser post to support FRAs with their understanding and management of the Firefighters' Pension Schemes. The employers' voluntary subscription is included in the final levy.

The total levy for the 2020-21 year will be £8.29 per firefighter, which is calculated at £6.20 for the SAB and £2.09 for employers. A letter has been sent out to Chief Fire Officers advising them of this.

Devolved FRAs have also been sent levy requests with regards to the employer advice service provided to them by the LGA.

The first stage of the process is for FRAs to provide a valid purchase order number, stating the number of employees eligible to join one of the Firefighters' Pension Schemes at 1 April 2020. The form at [Appendix 1](#) should be used to provide this information.

### **TPR 2019 Governance and Administration Survey**

As you may be aware, the results of the [2019 Governance and Administration survey](#) have now been published by The Pensions Regulator (TPR).

The performance of the Firefighters' Schemes is commented on throughout and the Scheme Advisory Board will consider any further actions they may take.

The TPR [six key processes factsheet](#) will be updated to reflect the latest performance and give further guidance to FRAs in order to achieve a higher rate of understanding and compliance ahead of the 2020 survey.

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At their meeting on 17 September 2020 the Board considered a report summarising the [results of the COVID-19 governance survey](#) designed to measure the impact of the coronavirus pandemic on pension scheme governance.

## Other News and Updates

### Restriction of exit payments in the public sector

We confirmed last month that [The Restriction of Public Sector Exit Payments Regulations 2020](#) came into force on 4 November 2020.

Following the enactment of the Exit Payment Regulations, HM Treasury (HMT) published the following documents:

- [Guidance on the 2020 Regulations](#)
- [Directions](#)
- [Equalities Impact Assessment](#)

Although the regulations have limited application for the FPS, FRAs will also have employees who are members of the Local Government Pension Scheme (LGPS).

The Local Government Pensions Committee (LGPC) has provided detailed information about the changes for LGPS and any actions for scheme employers in [LGPC Bulletin 203 – November 2020](#).

### TPR pledge to combat pension scams campaign

On 10 November 2020, TPR launched the [pledge to combat pension scams](#) campaign. The initiative asks administrators and employers to commit to the six pledge principles to show their intent to protect scheme members from losing their benefits in transfer scams.

The pledge is supported by the Pension Scams Industry Group (PSIG) and follows the principles of the [PSIG Code of Good Practice](#).

### ICO issue new statutory code of practice on DSARs

At the end of October 2020, the Information Commissioner's Office (ICO) issued its new statutory code of practice on data subject access requests (DSARs). It is aimed at data protection officers (DPOs) and those with specific data protection responsibilities in larger organisations. Along with providing additional guidance and clarity, the new code of practice is particularly relevant for administrators dealing with increased data requests from members, IFAs and claims management companies in respect of past transfers.

To find out more visit the [Right of access page](#) on the ICO website.

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## **DB schemes must equalise past GMP transfers**

On 20 November 2020, the High Court ruled that trustees who do not equalise a member's guaranteed minimum pension (GMP) benefits at the time of calculating a cash equivalent transfer value (CETV) have committed a breach of duty. Defined benefit (DB) schemes providing GMPs should revisit historic CETVs made in the past 30 years and top them up where necessary. The judgment does not force organisations to actively correct all pensions transfers, however, employers may look to do so to avoid legal proceedings from members affected.

This [latest judgment on GMP equalisation](#) follows the initial judgment made in October 2018 involving Lloyds banking group.

We are discussing implications for the FPS with the Home Office.

## **Events**

### **Joint Fire and Police CIPFA webinar – Sargeant/ McCloud stakeholder management**

CIPFA is running a joint Fire and Police webinar on Tuesday 15 December at 10am:

“Stakeholder management will be a key component of your plan to deliver the McCloud remedy. In this seminar, we will cover the changes faced by a variety of stakeholders in the Police and Fire Network. The focus will be on member engagement, the member journey and the opportunity that presents, whilst managing the risks.”

As registration is not yet open for this event, we will circulate details by email to the bulletin distribution list as they become available.

### **FPS coffee mornings**

We are continuing to run our MS Teams coffee mornings every second Tuesday while social distancing measures remain in place. These informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

The next event is scheduled to take place on 1 December 2020.

If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) and we will add you to the invite list for the sessions.

## **HMRC**

### **HMRC newsletters/bulletins**

HMRC has published the following newsletter containing important updates and guidance on pension schemes:

[Pension schemes newsletter 125 – 30 October 2020](#)

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- Temporary changes to pension processes as a result of coronavirus
- Managing Pension Schemes service – financial information
- Relief at source declaration – APSS590
- Pension flexibility statistics
- Signing in to online services
- Registration statistics

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPS member site](#)

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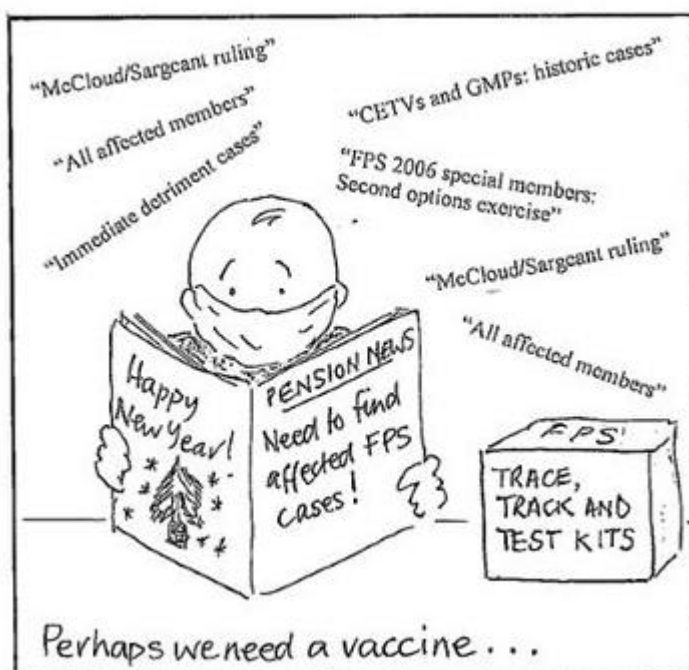




## FPS Bulletin 40 – December 2020

Welcome to issue 40 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well. May we take this opportunity to wish you all a happy festive period. Many thanks for your help and support during a challenging year – perfectly captured in this illustration by Eunice Heaney.



Face-to-face meetings and training remain suspended into 2021 due to restrictions on travel and social distancing. However, the Bluelight team are available at home by mobile, email or video.

If you are looking for information on a certain topic, issue and content indexes are held on the [main bulletin page](#) of the website and are updated following each new issue.

If you have any comments on this bulletin or suggested items for future issues, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk).

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## Calendar of events

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SAB	11 March 2021
SAB	24 June 2021
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SAB	9 December 2021

## Actions arising

Readers are asked to note the following actions arising from the bulletin:

[2020-21 statutory levy](#): FRAs to provide a valid purchase order number for invoicing of the annual levy, based on the number of employees eligible to join one of the Firefighters' Pension Schemes at 1 April 2020.

## FPS

### Joint statement on age discrimination remedy

Please see below a joint statement issued on 4 December 2020 by the Home Office and LGA Bluelight team regarding public service pensions age discrimination remedy:

“As you are aware the Treasury’s public consultation on the Public Sector Pension remedy closed on the 11 October. This note is intended to outline next steps for delivery of the remedy.

The Treasury are currently considering consultation responses and expect to publish their response to the consultation in the new year. This will outline the policy intent of the remedy, including whether immediate or deferred choice will be adopted.

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Changes to both primary and secondary legislation will be required to remove the discrimination. The Home Office will need to work with the Treasury to understand the policy and proposed legislation and to draft regulations to make the changes required for the Fire schemes.

In order to deliver the remedy to the timeline set out by the Treasury, the Home Office and the LGA Bluelight pensions team are committed to ensuring that you are fully up to speed with all policy and regulation developments so that work can progress at pace. It will be essential that Fire and Rescue Authorities start the process of considering what technology/administration processes will be required to implement the remedy, including what data should be retained, at the earliest opportunity and we will be engaging with you further to understand your dependencies and any challenges you will face.”

### **Standard wording for inclusion with CETVs in divorce cases (and others)**

On 14 December 2020, we emailed pension managers and administrators with the following standard wording provided by HM Treasury (HMT). The text should be included with Cash Equivalent Transfer Values (CETVs) issued prior to remedy to alert the member – and others “using” the CETV – to the fact that it may well not be a final figure:

“The Government is currently in the process of consulting on, and finalising, proposals to address discrimination identified by the Courts in respect of certain members that may affect the cash-equivalent transfer value (CETV) set out in this communication. For more information please [see the consultation documents available here](#). It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period.

It is important for the recipient of this CETV to note that the value given may change in future.”

HMT has confirmed that the wording should be used for CETVs in divorce and transfer cases, but not for Club transfers.

When using the wording, please make sure the hyperlink to the consultation is not lost if you copy and paste the text to another electronic document. If you send a hard copy of the communication rather than sending electronically, the full link text must be included.

### **December query log**

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

No new queries have been added this month.

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## FPS England SAB updates

### Year-end message from the Chair

Following a whirlwind four months and in keeping with tradition, we are pleased to bring you this year-end message from Joanne Livingstone, chair of the FPS England Scheme Advisory Board:

“Dear Friends & colleagues,

Although it has become a cliché to say so, it has certainly been a year that none of us will forget. For me, the process of being appointed as the Chair of the Scheme Advisory Board (SAB) for England and then getting up to speed on the Fire Pensions front was a welcome distraction from the international emergencies. And there has certainly been a lot going on for Fire Pensions.

The year was dominated by the HMT consultation on remedy for the age discrimination detriment created by the transitional arrangements for the introduction of the 2015 Scheme...”

Read [Joanne's year-end festive message](#) in full on the [Board updates page](#).

### SAB levy 2020-21 – Request for Purchase Order numbers reminder

As detailed in [FPS Bulletin 39 – November 2020](#), we have now started the collection process of the SAB and technical support levy for 2020-21.

FRAs were asked to provide a valid purchase order number by 31 December 2020, stating the number of employees eligible to join one of the Firefighters’ Pension Schemes at 1 April 2020.

Thank you to the organisations who have completed the [statutory levy form](#). We will send a direct reminder in January to those who do not respond by the deadline.

## Other News and Updates

### Cost-cap review stakeholder meeting

On 23 October 2020, the Government Actuary’s Department (GAD) held a stakeholder meeting to discuss the operation of the cost-control mechanism across public service pension schemes.

A paper setting out a [summary of the key discussion points](#) was released following the meeting.

You can find this and other documents relating to the valuation and cost-cap on our [scheme valuations](#) webpage.

## Pension Dashboards Programme – key data standards published

The Pension Dashboards Programme (PDP) published several updates relating to [dashboard data standards](#) on 15 December 2020. These include an introduction to data standards video and a guide containing detailed information on the data that will be needed for initial dashboards.

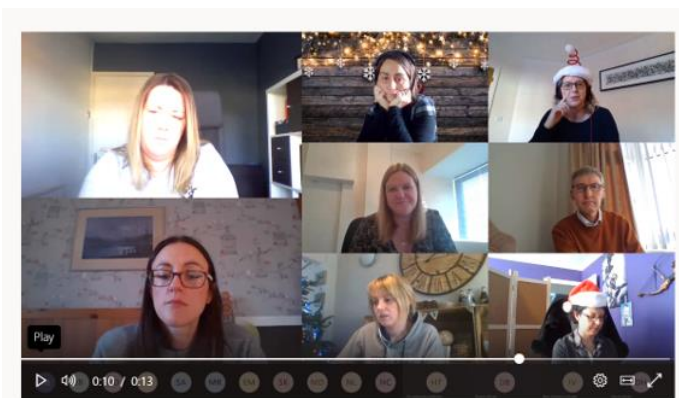
## Events

### FPS coffee mornings

We will restart our MS Teams coffee mornings every second Tuesday after the Christmas break. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

The next event is scheduled to take place on 12 January 2021.

The sessions have been increasingly popular since we began hosting them in May. We had a record attendance of 34 at our final session on 15 December, where attendees were invited to get into the Christmas spirit early.



If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### Training and events – 2020 facts and figures

Even though 2020 has looked very different, it has become tradition to provide a roundup of events attended and facilitated by the team. We have become very adept at using Teams and Zoom and will happily provide training sessions virtually upon request.

This year's meetings have numbered 12 regional Fire Pension Officer Group meetings, 12 local or regional training sessions for Local Pension Boards (LPBs) and scheme managers, 6 meetings of the SAB including two special meetings to discuss the HMT consultation, 12 technical discussions with stakeholders on remedy, 3 communications group, and 2 technical group meetings.

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In addition to our business as usual engagements, we managed to continue to hold our two popular annual events: Local Pension Board 'wrap up' training and the two-day AGM. Information about our national events can be found on our [Events page](#).

Finally, we have been regular virtual visitors to the devolved SAB meetings to provide an overview of issues arising in England and continue to represent FPS interests at sector specific forums including HMT led meetings.

## HMRC

### HMRC newsletters/bulletins

On 3 December HMRC published [Pension schemes newsletter 126](#) containing important updates and guidance for schemes. Articles include:

- Managing Pension Schemes
- Relief at source
- Pension scheme returns for 2019 to 2020
- Signing in to online services
- In-specie contributions
- Annual allowance charge - members declaring their annual allowance charge on their Self-Assessment tax return

## Legislation

### SI number    Reference title

2020/1332	<a href="#">The Occupational Pensions (Revaluation) Order 2020</a>
2020/1391	<a href="#">The State Pension Debits and Credits (Revaluation) (No. 2) Order 2020</a>
2020/1392	<a href="#">The State Pension Revaluation for Transitional Pensions (No. 2) Order 2020</a>
2020/1511	<a href="#">The Firefighters' Pension Schemes and Compensation Scheme (Wales) (Amendment) Regulations 2020</a>

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)

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- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)

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Aquila Heywood

# Firefighter's Pension Schemes Common Data Quality Report ORBIS Surrey Fire and Rescue Authority



October 2020

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# 1 Executive Summary

## 1.1 Introduction

In 2015, the Pensions Regulator (TPR) assumed responsibility for Public Sector Pension Schemes. Prior to this, in June 2010, TPR issued guidance on the approach that they consider to be good practice for measuring the presence of member data. Specific targets were set for data TPR deemed as 'common' and Aquila Heywood has assisted customers in the collection and qualification of this data.

To assist customers in undertaking a practical assessment of their common data, Aquila Heywood offers a Data Quality service.

## 1.2 Data Quality Service

Working with ORBIS, Aquila Heywood has completed a review of Surrey Fire and Rescue Authority's common pension data in line with the guidance notes set down by TPR. Aquila Heywood's understanding of the Firefighter's Pension Scheme data, benefit calculations, interfaces and processes, has assisted in the agreement of which items to test. The tests to satisfy each condition have been run and the results quantified to provide guidance on any corrective action required.

The service incorporates data items tested against the data conditions agreed with ORBIS. To provide focus on the key areas of common data to be addressed, each data category is measured against an agreed benchmark.

## 1.3 Benchmark

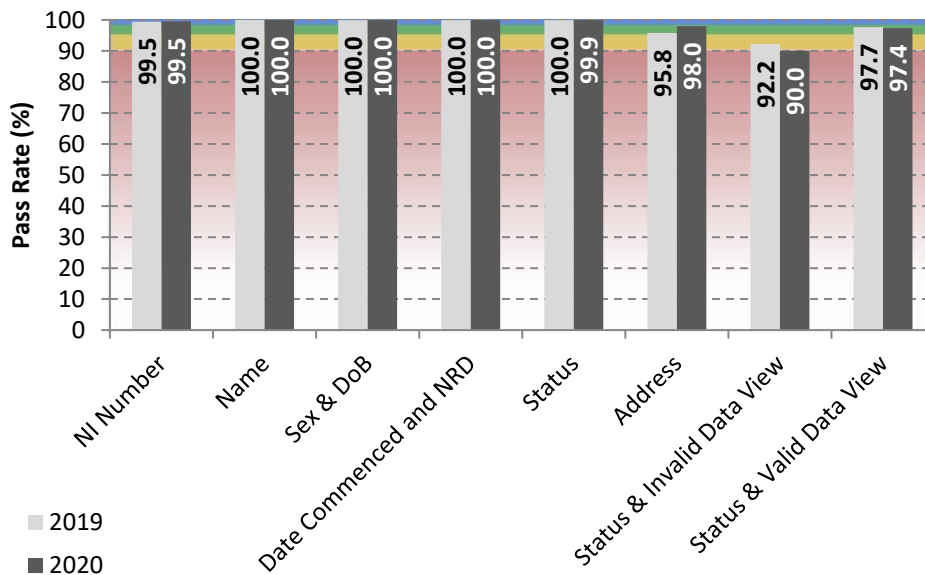
The benchmarks applied to the results presented in this report were agreed between ORBIS and Aquila Heywood. The categories and thresholds are as follows:

Category	Pass Threshold
Blue	Pass rate $\geq$ 98%
Green	95% $\leq$ Pass rate $<$ 98%
Amber	90% $\leq$ Pass rate $<$ 95%
Red	Pass rate $<$ 90%

These benchmarks are illustrated in the background of the results graph. TPR have set targets of 100% accuracy for data created after June 2010 and 95% accuracy for data created beforehand. The Aquila Heywood data quality service measures data as a whole as updates for many members are continuous and alter the last updated date on the system.

## 1.4 Summary of Common Data Results

The graph below indicates Surrey Fire and Rescue Authority’s performance for each data category against the agreed scheme benchmarks. The results presented herein are generated from data extracted from ORBIS Live Altair service on 7<sup>th</sup> October 2020 for all tests. The 2019 tests were generated from data extracted on 2<sup>nd</sup> September 2019. The overall percentage of tests passed for the Surrey Fire and Rescue Authority’s common data is **98.1%** which is the same as is 2019.



Six of the eight categories tested met the highest benchmark of greater than 98% with one category not recording a single failure. Two of the six categories have been rounded up to 100% with scores of greater than 99.95%.

The 2020 tests were executed across 3,275 member records, an increase of 112 records from the number tested in 2019.

## 1.5 TPR Scheme Return

The final two categories tested, **Status & Invalid Data View (90%)** and **Status & Valid Data View (97.4%)** are data items that are not within TPR's definition of common data but are data items that are critical to effective administration.

The percentage of member records without a single common data failure within the TPR definition of common data is **97.5%** and this is the figure that TPR will be requesting on the scheme return. This represents an improvement over the 2019 score of 85.8%.

There is not a clear requirement to split the results by the percentage of the member records within each scheme, but for reference these results are shown below. Please note that as some members have records within more than one scheme, they may be counted more than once in this breakdown and these figures may not be consistent with the overall figure as a result.

<b>1992 Scheme</b>	<b>97.4%</b>
<b>2006 Scheme</b>	<b>97.0%</b>
<b>2015 Scheme</b>	<b>99.3%</b>

## 2 Analysis of Common Data Results

Condition	Qualifying Members			Areas for Review	Comments
	Tested (change)	Passed (change)	Pass Rate (change)		
<b>NI Number</b> <u>Eligible for Testing:</u> All members	3275  <b>(+112)</b>	3260  <b>(+114)</b>	99.5%  <b>(+0.08%)</b>	Fail A: 0 Fail B: 15 Fail C: 0	The number of members failing a test has decreased by 2 to 15 since 2019.  There are 15 members with a temporary NI number to be addressed. The 1 deferred member and 1 adult dependent should be addressed ahead of the deceased cases.
<b>Name</b> <u>Eligible for Testing:</u> All members	3275  <b>(+112)</b>	3275  <b>(+112)</b>	100%  <b>(0%)</b>	Fail A: 0 Fail B: 0 Fail C: 0	All members records have a valid name for the third consecutive year.
<b>Sex and Date of Birth</b> <u>Eligible for Testing:</u> All members (Leavers and deaths excluded from test D)	3275  <b>(+112)</b>	3274  <b>(+112)</b>	100%  <b>(0%)</b>	Fail A: 0 Fail B: 0 Fail C: 0 Fail D: 1	1 awaiting entry to the scheme has a date of birth prior to 01/01/1900 the same as they did in 2019.
<b>Date commenced and NRD</b> <u>Eligible for Testing:</u> All members	3275  <b>(+112)</b>	3274  <b>(+112)</b>	100%  <b>(0%)</b>	Fail A: 1 Fail B: 0	1 awaiting entry to the scheme has a blank date joined fund the same as they did in 2019.
<b>Status</b> <u>Eligible for Testing:</u> All members	3275  <b>(+112)</b>	3273  <b>(+111)</b>	99.9%  <b>(-0.03%)</b>	Fail A: 0 Fail B: 0 Fail C: 2	The number of members failing a test has increased by 1 to 2 since 2019.  2 records with a marked status of "A" do not have the same current status on the status list.

Condition	Qualifying Members			Areas for Review	Comments
	Tested (change)	Passed (change)	Pass Rate (change)		
<b>Address</b>  <u>Eligible for Testing:</u> All members except leavers and deaths (status 3 and 7)	3275  (+112)	3210  (+180)	98%  (+2.22%)	Fail A: 4 Fail B: 0 Fail C: 50 Fail D: 12 Fail E: 2	<p>The number of members failing a test has decreased by 68 to 65 resulting in a 2.22% improvement in the pass rate since 2019.</p> <p>4 members have no address recorded.</p> <p>50 members, (3 actives, 2 undecided leavers, 20 deferreds, 12 pensioners, 7 dependants, 3 frozen refunds, 1 status 'A' and 2 optants-outs) are recorded as "gone away".</p> <p>12 members are missing a postcode and a further 2 have a postcode in an incorrect format.</p> <p>Of the 14 members either missing a postcode or one in an incorrect format, 3 of them are also recorded as gone away.</p>

Condition	Qualifying Members			Areas for Review	Comments
	Tested (change)	Passed (change)	Pass Rate (change)		
<b>Status and invalid data view</b>  <u>Eligible for Testing:</u> All members	3275  <b>(+112)</b>	2949  <b>(+33)</b>	90%  <b>(-2.15%)</b>	Fail A: 4 Fail B: 314 Fail C: 5 Fail D: 5	<p>The number of members failing a test has increased by 79 to 326 since 2019 resulting in a 2.15% decrease in the pass rate.</p> <p>4 members have an unexpected exit details data view. 1 of which is active, 2 are deferred and 1 is a pensioner.</p> <p>314 members have an unexplained deferred details data view as they were never deferred on their status history. 7 are leavers, 4 are pensioners and 303 are deceased members.</p> <p>5 members; 4 deceased and 1 dependant, have an unexpected pension details data view.</p> <p>5 members; 4 deceased and 1 member awaiting entry, have an unexpected dependent details data view.</p> <p>2 deceased members included in the numbers above have a deferred detail and a dependent detail data view that is not reflected in their status history.</p> <p>Fails in this category should be investigated to ensure correct benefits are calculated as a priority. Priority should be given to the pensioner and dependent members.</p>
<b>Status and valid data view</b>  <u>Eligible for Testing:</u> Members with deferred benefits or benefits in payment (Status 4, 5, 6, 7, and 9)	3275  <b>(+112)</b>	3189  <b>(+99)</b>	97.4%  <b>(-0.32%)</b>	Fail A: 0 Fail B: 0 Fail C: 0 Fail D: 0 Fail E: 31 Fail F: 55	<p>The number of members failing a test has increased by 13 to 86 since 2019 resulting in a 0.32% decrease in the pass rate.</p> <p>31 deceased pensioners and 55 deceased dependants are missing a cease date for their pensions.</p>



### 3 Data Correction Plan

The table below provides ORBIS with suggestions for resolving the issues identified. This table is deliberately high-level as the detail and dates should be agreed once the results have been thoroughly reviewed. The recommendations represent a summary of the recommended actions outlined in Section 2.

Data Category	Recommendation	Suggested Priority
<b>NI Number</b>	<ul style="list-style-type: none"> <li>Obtain a correct NI number for the 15 members with a temporary number</li> </ul>	<ul style="list-style-type: none"> <li>Low</li> </ul>
<b>Name</b>	<ul style="list-style-type: none"> <li>No issues found</li> </ul>	
<b>Sex and Date of Birth</b>	<ul style="list-style-type: none"> <li>Investigate the 1 member with a date of birth earlier than 01/01/1900</li> </ul>	<ul style="list-style-type: none"> <li>Low</li> </ul>
<b>Date commenced and NRD</b>	<ul style="list-style-type: none"> <li>Investigate the 1 member with a blank date joined fund</li> </ul>	<ul style="list-style-type: none"> <li>High</li> </ul>
<b>Status</b>	<ul style="list-style-type: none"> <li>Investigate the 2 members with a mismatched current status</li> </ul>	<ul style="list-style-type: none"> <li>High</li> </ul>
<b>Address</b>	<ul style="list-style-type: none"> <li>Current addresses should be sought and uploaded for the members that failed this category</li> </ul>	<ul style="list-style-type: none"> <li>Medium</li> </ul>
<b>Status and invalid data view</b>	<ul style="list-style-type: none"> <li>Invalid data should be removed where necessary or the member status corrected where appropriate. These cases should be treated as a high priority with the 5 pensioners and 1 dependant addressed as the highest priority</li> </ul>	<ul style="list-style-type: none"> <li>High</li> </ul>
<b>Status and valid data view</b>	<ul style="list-style-type: none"> <li>Correct the pension cease date for the 31 pensioners and 55 dependant members</li> </ul>	<ul style="list-style-type: none"> <li>Low</li> </ul>

## 4 Appendices

### 4.1 Appendix A – TPR Guidance

Data Field	TPR Comment
National Insurance Number	'TN' formats should be regarded as missing data. The final character of NI numbers is not essential.
Surname	Check that surname is present.
Forename(s) or initials	Forenames are preferable but initials are an acceptable alternative.
Sex	Check that sex is present.
Date of birth	Check that date of birth is present and consistent (earlier than date joined scheme, retirement, date of leaving). False dates should be classed as missing data.
Date pensionable service started/policy start date/first contribution date	For trust-based schemes this will be date pensionable service started. For contract-based schemes this will effective start date of the policy or the first contribution date, depending on the provider's requirements.
Expected retirement/maturity date (target retirement age)	This field may be derived or explicit; for most DB schemes it will probably be derived as the scheme's normal retirement date. Need to check that it is populated if that is a scheme/system requirement, that it is consistent with scheme rules and statutory requirements, and is later than date of birth and pensionable service date/first contribution date.
Membership status	Check that a current valid status is recorded for each member. This may be a dual status, eg active or deferred member with partial retirement. For contract-based schemes this may be 'active' or 'inactive'.
Last status event	Check that benefits taken are consistent with status, and, if status history is recorded, that the latest status is the same as the explicitly recorded current status.

Data Field	TPR Comment
Address	An address should be present for all members of all schemes. Because of DPA requirements an exception is permissible for active members of those trust-based schemes in which communication with members is normally sent via the employer. 'Gone away', 'unknown' or similar should be treated as missing data.
Postcode	Check that a postcode is present if address is not identifiable as being overseas. Will assist with valuations for actives, for whom storing full address may breach DPA principles.

## 4.2 Appendix B – Common Data and Fail Criteria

### Common Data

Condition	Fail A	Fail B	Fail C	Fail D	Fail E	Fail F
<b>NI Number</b> <u>Eligible for Testing:</u> All members	NI Number (NI-NUMBER) is blank	NI number is temporary (commences TN) and is not a child pension (DEPND-TYPE = 'C')	NI number does not adhere to standard (Neither of the first two letters can be D, F, I, Q, U or V. The second letter cannot be O. Prefixes BG, GB, KN, NK, NT, TN (checked in fail B) and ZZ are not used. Suffix must be A, B, C or D. Characters 3-8 must be numbers)			
Tested: 3275	Failed: 0	Failed: 15	Failed: 0			
<b>Name</b> <u>Eligible for Testing:</u> All members	Surname (SURNAME) is blank	Forenames (FORENAMES) is blank	Initials (INITS) is blank			
Tested: 3275	Failed: 0	Failed: 0	Failed: 0			

Condition	Fail A	Fail B	Fail C	Fail D	Fail E	Fail F
<b>Sex and Date of Birth</b>  <u>Eligible for Testing:</u>  All members *	Sex (SEX) is blank	Sex is not Male or Female	Date of Birth (DOB) is blank	Date of Birth is earlier than or equal to 01/01/1900 (* Leavers and deaths excluded from this test) (Status 3 and 7)		
Tested: 3275	Failed: 0	Failed: 0	Failed: 0	Failed: 1		
<b>Date commenced and NRD</b>  <u>Eligible for Testing:</u>  All members	Date Joined scheme (DJS) is blank	Date Joined scheme is earlier than Date of Birth plus 15 years	NRD checks are not required as these are always calculated			
Tested: 3275	Failed: 1	Failed: 0				
<b>Status</b>  <u>Eligible for Testing:</u>  All members	Status (STATUSKEYF) is blank	Status is not 1-9, A or O	Status on member summary (STATUSKEYF) does not match that on basic details (STATUS[1])			
Tested: 3275	Failed: 0	Failed: 0	Failed: 2			

Condition	Fail A	Fail B	Fail C	Fail D	Fail E	Fail F
<b>Address</b>  <u>Eligible for Testing:</u>  All members except leavers and deaths (status 3 and 7)	Address record does not exist	Address record exists, but line 1 (ADD-LINE-1) is blank	Gone Away (ADD-GONAWY) indicator is set	If the address is not overseas, the Postcode (POSTCODE) is blank	If the address is not overseas, the Postcode is not the correct format (1 <sup>st</sup> letter =Q, V or X, 2 <sup>nd</sup> letter is I, J or Z, 3 <sup>rd</sup> , 4 <sup>th</sup> or 5 <sup>th</sup> character is not a space)	
Tested: 3275	Failed: 4	Failed: 0	Failed: 50	Failed: 12	Failed: 2	
<b>Status and invalid data view</b>  <u>Eligible for Testing:</u>  All members	Exit details should not be present unless status is 3, 7 or 9 or a previous status is 9 and the current status is 1, 2, 4, 5 or A	Deferred details should not be present unless status is 4 or a previous status is 4 and the current status is 1, 2, 3, 5, 7 or A	Pension details should not be present unless status is 5 or a previous status is 5 and the current status is 1, 2, 3, 4, 7 or A	Dependant details should not be present unless status is 6 or a previous status is 6 and the current status is 3 or 7		
Tested: 3275	Failed: 4	Failed: 314	Failed: 5	Failed: 5		
<b>Status and valid data view</b>  <u>Eligible for Testing:</u>  Members with deferred benefits or benefits in payment (Status 4, 5, 6, 7 and 9)	Status 4 does not have deferred details	Status 5 does not have pension details	Status 6 does not have dependant details	Status 7 or 9, with a previous status of 1 or 4 do not have exit details	Status 7 with a previous status of 5 should have a relevant date pension ceased	Status 7 with a previous status of 6 should have a relevant date pension ceased
Tested: 3275	Failed: 0	Failed: 0	Failed: 0	Failed: 0	Failed: 31	Failed: 55



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## **Surrey Local Firefighters' Pension Board 15 January 2021**

### **TPR SURVEY RESULTS**

#### **Recommendations:**

The Board is asked to note the survey results.

#### **Summary**

1. The Board requested that this be added as a separate agenda item. It is mentioned in Bulletin 39 as an annex to the Administration Report.

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#### **Annexes**

TPR Survey Results

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# Public service governance and administration survey 2019

## Research report

Prepared for The Pensions Regulator (TPR)

By OMB Research (OMB)

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# 1. Executive summary

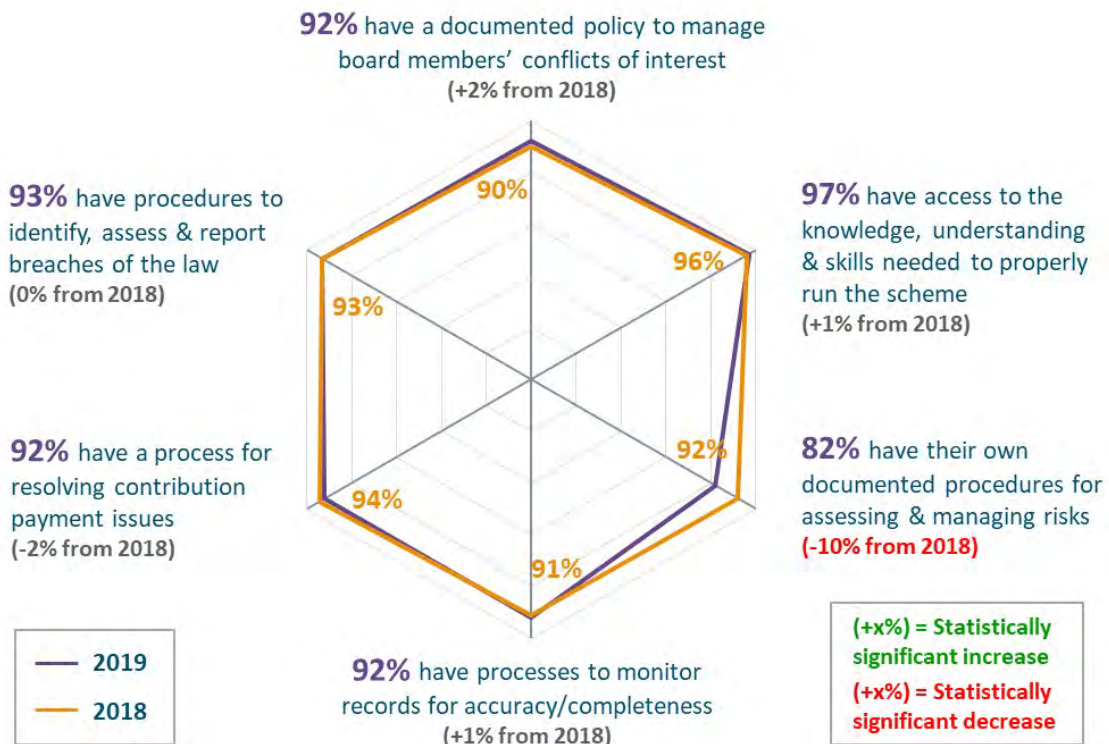
## 1.1 Key processes

Results for the key processes that TPR monitors as indicators of public service scheme performance were unchanged since 2018, aside from a decrease for risk management which was probably due to a change in the question. Approaching two-thirds (64%) of schemes had all six processes in place.

Results were consistent with the 2018 survey for five of the six key processes, with between 92% and 97% of schemes having these in place.

While the proportion of schemes with documented procedures for assessing and managing risks fell from 92% in 2018 to 82% in 2019, this was likely due to a questionnaire change in 2019. In previous years schemes were simply asked whether they had documented procedures for assessing and managing risk, whereas in 2019 they were asked if they had their 'own' documented procedures and were instructed to answer 'no' if they instead relied on their local authority's procedures.

**Figure 1.1.1 Schemes' performance on key processes**



Approaching two-thirds (64%) of schemes had all six of these key processes in place, together representing 71% of all memberships. This represents a decrease from 2018 (when 74% of schemes had all six), but this is again probably due to the change in the risk management question in 2019.

Approaching three-quarters (73%) of 'Other'<sup>1</sup> schemes and around two-thirds of Local Government (68%) and Police (64%) schemes had all six processes in place. This proportion was lowest for Firefighters' schemes (55%).

## 1.2 The pension board

**Over half of schemes held four or more pension board meetings in the previous 12 months<sup>2</sup>, an increase from 2018. The mean number of current board members at the time they completed the survey was 6.9.**

Schemes held an average of 3.5 board meetings in the previous 12 months, with 57% reporting that they held four or more (+7 percentage points on 2018) and 17% that they met twice or less. 'Other' schemes were most likely to have held at least four board meetings in the previous 12 months (82% had) and Firefighters' schemes least likely (31% had).

On average 95% of board meetings were attended by the scheme manager or their representative, similar to 2018.

Two-thirds (67%) of schemes had more than five current board members at the time they completed the survey, and the mean number was 6.9. Just over a quarter (27%) of schemes had at least one vacant position on the board. Eight schemes (4%) reported that they had fewer current board members at the time they completed the survey than specified by their respective regulations<sup>3</sup>.

Over half (54%) of schemes had a succession plan for members of the pension board, rising to 80% of Police schemes.

In approaching two-thirds (61%) of schemes, the scheme manager had delegated responsibility for day-to-day decision making to another person. This was least likely to be the case for Local Government schemes (43%).

The majority of schemes (89%) felt that, over the previous 12 months, their pension board had been able to access all the information about the operation of the scheme that it needed to fulfil its functions. The vast majority also believed the board was able to obtain sufficient specialist advice on administration (99%) and legal matters (98%), but there was slightly less consensus on cyber-security (87%).

Three-quarters (76%) of schemes evaluated the board's knowledge, understanding and skills at least annually, a decline from the 82% seen in

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<sup>1</sup> Centrally administered unfunded schemes, ie excluding relevant Local Government, Firefighters' and Police schemes.

<sup>2</sup> TPR sets an expectation that the governing boards of pension schemes should meet often enough to maintain effective oversight and control, which in most cases will be at least quarterly.

<sup>3</sup> Six of these eight schemes reported that they had vacant positions on their board at the time they completed the survey. If these vacant positions were filled, then each of these six schemes would have met the minimum requirement for the number of pension board members for their type of scheme. The remaining two schemes that had fewer current board members at the time they completed the survey than required by their regulations were both Police schemes that did not report any vacant positions.

2018. This fall was driven by Police schemes, 60% of which evaluated the board at least annually (down from 82% in 2018). On average, pension board members received 11 hours of training per year in relation to their role on the board.

### 1.3 Managing risk

**While the use of risk registers was consistent with the 2018 findings, the proportion with procedures for assessing and managing risks fell, probably due to a change to the question. A third of schemes had reviewed their exposure to new and existing risks at four or more board meetings in the previous 12 months.**

Although most schemes (82%) said they had documented procedures for assessing and managing risks, this was lower than the 92% in 2018. This is probably due to a change in the survey question: in previous years schemes were simply asked whether they had documented procedures for assessing and managing risk, whereas this time they were asked if they had their 'own' documented procedures and were instructed to answer 'no' if they relied on their local authority's procedures. This is seen by the fall being primarily driven by Local Government schemes, where 80% said they had their own documented procedures compared with 96% in 2018 saying they had documented procedures.

Overall, 93% of schemes had their own risk register, consistent with the 94% seen in 2018. On average, schemes' exposure to new and existing risks had been reviewed at three-quarters (77%) of the pension board meetings held in the previous 12 months. Just over a third (35%) of schemes reported that risk exposure had been reviewed at four or more board meetings over this period.

Firefighters' schemes were less likely to have comprehensive risk management processes than the other types of public service scheme; 76% had their own documented procedures for assessing and managing risks, 86% had their own risk register and 20% had reviewed risk exposure at four or more board meetings in the previous 12 months.

### 1.4 Administration and record-keeping

**Three-quarters of schemes had an administration strategy and, as in 2018, administration was included on the agenda at the majority of board meetings. Schemes typically used a range of approaches to measure administrator performance.**

Most schemes (76%) had an administration strategy in place, although this was less widespread among Firefighters' schemes (57%). On average, administration was included on the agenda at 89% of the board meetings held in the previous 12 months (+3 percentage points on 2018), rising to 100% for 'Other' schemes.

The most common method used to measure administrator performance was comparing this against service level agreements or service schedules (85%).

The majority of schemes also assessed complaints volumes and trends (70%) and audited administration functions and systems (66%). 'Other' schemes used the widest range of measures, whereas Firefighters' schemes primarily relied on performance against service level agreements or service schedules and were less likely to also use other methods.

**Most key administration processes were automated to at least some extent. The main barriers to further automation related to integration with existing systems, lack of technology and costs.**

Full automation of key administration processes was relatively uncommon, but some degree of automation was more widespread. The production of benefit statements was most likely to be automated, with no schemes doing this entirely manually.

However, the reporting of complaints and issues was typically a manual process (73% of schemes did this entirely or mainly manually). In addition, two-fifths (40%) of schemes indicated that reconciliation of contributions was primarily done manually, and around a fifth said that verification and input of employer data (22%) and monitoring workload and resourcing (21%) were also primarily manual processes.

When asked what barriers they faced to automating more of the scheme's processes, the most common responses were difficulty in integrating it with their existing systems (39%), a lack of suitable technology (36%), the initial set-up costs (28%) and the poor quality of their data (20%).

**Four in ten schemes (40%) said all their employers always provided timely data and a similar proportion (37%) said they always provided accurate and complete data, consistent with the 2018 results.**

These proportions were lower for multi-employer schemes than single employer schemes. Less than one in ten (6%) multi-employer schemes said all their employers always provided timely data compared with nine in ten (89%) single employer schemes. Similarly, 3% of multi-employer schemes said all their employers always provided accurate and complete data compared with 84% of single employer schemes.

**As in 2018, comparatively higher proportions reported that all their employers submitted data monthly (56%) and electronically (69%).**

There were similar differences between multi-employer and single employer schemes, although to a lesser extent. Four in ten (39%) multi-employer schemes said all their employers submitted data monthly compared with eight in ten (80%) single employer schemes. Just over half (54%) of multi-employer schemes said all their employers submitted data electronically compared with nine in ten (92%) single employer schemes.



## 1.5 Cyber security

### **Schemes had a greater range of cyber risk controls in place than in 2018.**

Schemes were asked about 14 specific cyber controls and four-fifths (82%) had at least half of these in place, up from three-quarters (74%) in 2018.

For 11 of the 14 cyber controls, the overall proportion of schemes with these in place was higher than in 2018. The greatest increases were seen for the pension board receiving regular updates (+23 percentage points), cyber risk being included on the risk register and regularly reviewed (+17 percentage points) and the scheme manager receiving regular updates (+13 percentage points).

Around four in ten schemes (42%) reported that they had experienced some kind of cyber breach or attack in the previous 12 months (compared with 49% in 2018). These incidents typically involved staff receiving fraudulent emails or being directed to fraudulent websites (33%).

Most schemes that experienced any cyber breaches or attacks said that these had no impact, but 15% reported a negative impact (equating to 6% of all public service schemes). This was consistent with the 2018 survey.

Where negative impacts were reported, this tended to be loss of access to third-party services (10%) or the scheme's website or online services being taken down or made slower (5%).

## 1.6 Data reviews

### **The majority of schemes had completed a data review in the previous 12 months, had identified issues and were taking action to address them.**

Nine in ten schemes (92%) had completed a data review in the previous 12 months (up from 83% in 2018). 'Other' and Local Government schemes were most likely to have completed a data review in this period (100% and 97% respectively), compared with 88% of Firefighters' and 82% of Police schemes.

Overall, 77% of schemes found issues during their most recently completed data review, most commonly with postcode (64%), first line of address (63%) or National Insurance (NI) number (56%).

Where schemes identified issues with postcode, first line of address or anticipated income at retirement these typically affected between 1-9% of memberships. Issues with other data items generally affected less than 1% of memberships.

A minority of schemes (4%) had put a data improvement plan in place and completed the rectification work. Most of the remainder had either put a data improvement plan in place but not yet completed rectification work (48%), were in the process of developing an improvement plan (15%) or had not identified any issues in their latest review (23%).

## 1.7 Annual benefit statements

**Over nine in ten active members received their annual benefit statement by the statutory deadline in 2019, unchanged from 2018. However, fewer schemes achieved this for all their active members than in 2018.**

Just over half (53%) of schemes reported that they met the statutory deadline for all their active members in 2019 (down from 66% in 2018). This proportion was highest for Firefighters' and Police schemes (67% and 60% respectively) but lower for 'Other' (45%) and Local Government (44%) schemes (both of which are primarily multi-employer schemes and typically have a greater number of members than Firefighters' and Police schemes).

Most schemes that missed the deadline for any active members did not report this to TPR (55%), while a third (33%) made a breach of law report. Both these results were consistent with those in 2018. Those schemes which did not report the missed deadline typically said this was because it was not seen as material because few statements were affected.

As in 2018, the vast majority of schemes (92%) reported that all of the statements they sent out contained all the data required by regulations.

## 1.8 Resolving issues

**Around 12,000 complaints were estimated to have been made to public service schemes in the last year. This equated to 0.7 complaints per 1,000 members, the same ratio as in 2018.**

On average, 54% of all complaints entered the Internal Dispute Resolution (IDR) process and 28% of these were upheld.

The types of complaints entering the IDR process varied by scheme type, but overall the most common complaints related to eligibility for ill health benefit (54%), disputes or queries about the amount of benefit paid (33%), and inaccuracies or disputes around pension value or definitions (27%).

## 1.9 Reporting breaches

**As in 2018, over nine in ten schemes had procedures to identify breaches of the law (94%) and to assess the breaches and report them to TPR if required (96%).**

A third of schemes (33%) identified breaches of the law in the previous 12 months (excluding those relating to annual benefit statements). Around a quarter of this group reported the breaches to TPR, equating to 8% of all schemes (down from 11% in 2018).

'Other' and Local Government schemes (which are typically larger and have a greater number of participating employers) were most likely to have identified breaches of the law (36% and 45%). In comparison, 13% of Police schemes identified any breaches, and none of these were reported to TPR.

## 1.10 Addressing governance and administration issues

**Scheme complexity and the volume of changes required to comply with legislation were seen as the top barriers to improving scheme governance and administration in the next 12 months. The McCloud judgement was also a major (and new) concern.**

The complexity of the scheme was identified as a main barrier to improving governance and administration by 63% of schemes. This was followed by the volume of changes required to comply with legislation (49%), the McCloud judgement (42%), lack of resources or time (39%) and the recruitment, training and retention of staff and knowledge (36%).

Almost all 'Other' schemes (91%) identified the McCloud judgement as one of their top barriers. This was also seen as a barrier by over half of Police (60%) and Firefighters' (51%) schemes, but fewer Local Government schemes (24%).

**Improved governance and administration was primarily attributed to a better understanding of the risks facing the scheme and of the underlying legislation and standards expected by TPR.**

Over half of schemes felt that the improvements they made to scheme governance and administration over the previous 12 months were down to an improved understanding of the risks facing the scheme (59%) and better understanding of the underlying legislation and the standards expected by TPR (57%).

## 1.11 Perceptions of TPR

**More schemes agreed that TPR was 'decisive', 'respected' and 'evidence-based' than in 2018.**

Schemes were most likely to agree that TPR was 'visible' and 'respected' (both 84%), and least likely to see it as 'decisive' and 'tough' (61% and 56% respectively).

**As in 2018, TPR was widely felt to be effective at improving standards of governance and administration. It was also perceived to be effective at bringing about the right changes in behaviour among its regulated audiences and proactive at reducing serious risks to member benefits.**

Overall, 87% of schemes judged TPR to be very or fairly effective at improving standards of governance and administration in public service pension schemes (consistent with the 88% seen in 2018). Around three-quarters agreed that it was effective at bringing about the right changes in behaviour among its regulated audiences (77%) and proactive at reducing serious risks to members' benefits (74%).

'Other' and Police schemes were more positive than Firefighters' and Local Government schemes for all of the above areas.

## 2. Introduction

### 2.1 Background

The Public Service Pensions Act 2013 and the Public Service Pensions Act (Northern Ireland) 2014 (together, the Public Service Acts) introduced new requirements for the governance and administration of public service pension schemes. Scheme managers must run their schemes according to these legal requirements, which generally came into force on 1 April 2015.

The Public Service Acts also gave TPR an expanded role to regulate the governance and administration of these schemes from 1 April 2015. TPR's code of practice for the governance and administration of public service pension schemes (the PSPS code) sets out the standards of conduct and practice it expects of those responsible, as well as practical guidance about how to comply with the legal requirements.

As part of its role, TPR is responsible for 206 public service schemes in respect of eight public service workforces, covering around 16.6 million memberships.

A survey was first undertaken in 2015 to assess how schemes were meeting the new requirements, and the standards to which they were being run. Further surveys have been run annually to provide a regular assessment of performance, understand barriers to improvement, and delve deeper into the top risks facing public service schemes.

### 2.2 Communications activities

TPR continues to engage with those acting in the public service pension scheme landscape. In 2019 this activity included:

- hosting and presenting at conferences, workshops and training events, and;
- regular pro-active engagement with scheme managers and scheme advisory boards.

The focus of this engagement is tailored to the audience and situation and ranges from overviews and summaries of scheme manager and pension board responsibilities and duties to focused presentations on key issues of importance such as cyber security, data improvement and governance.

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### 3. Methodology

As with the previous surveys, an online self-completion approach was adopted for the following reasons:

- The large amount of data to collect would have made a telephone interview very long and burdensome for respondents.
- It was anticipated that many schemes would need to do some checking/verification to answer the questions accurately.
- The range of information requested meant that it was important to allow more than one person at the scheme to contribute.

Owing to the nature and the amount of information required, a carefully structured research approach was necessary, giving respondents early warning of the kinds of information that we were seeking to collect and allowing them to devote an appropriate amount of time and effort to providing accurate and reliable information, liaising with colleagues if needed. Therefore, a multi-stage approach was adopted:

- **Stage 1:** Pre-notification emails were sent by TPR to the pension board chairs and scheme managers to explain the nature of the research, introduce OMB, alert schemes that their participation would be requested and ask them to let OMB know whether the scheme manager or their representative would be completing the survey and, if necessary, provide their contact details.
- **Stage 2:** OMB sent a tailored invitation email to each scheme manager or their chosen representative. This contained a unique survey URL and a link to a 'hard copy' of the questionnaire (for reference when compiling information prior to completion).
  - In the case of referrals, sample details were updated so that the most appropriate person was contacted going forward.
- **Stage 3:** OMB sent a further two tailored reminder emails to schemes that had either not started the survey or had only partially completed it.
- **Stage 4:** OMB executives undertook a phase of telephone chasing with non-responders. These calls ensured that the invitation email had been received, confirmed the identity of the most appropriate individual to complete the survey and encouraged schemes to take part.

The approach was supported by other TPR communications and engagement (including promotion by key stakeholders such as scheme advisory boards).

### 3.1 Sampling

The sample for this research was extracted from TPR's scheme registry database. The target audience was scheme managers of open public service schemes or their representatives.

For the purpose of the survey, each locally-administered section of relevant Firefighters', Police and Local Government schemes was treated as a separate scheme, forming a total universe of 206 schemes.

Scheme managers or their representatives were asked to work with the pension board chair to complete the survey and, where necessary, seek input from others with specialist knowledge (eg the scheme administrator).

### 3.2 Fieldwork

All surveys were completed between 6 November 2019 and 9 January 2020. In total, 202 of the 206 public service pension schemes completed the survey. This equates to a 98.1% response rate, covering 99.8% of all memberships.

**Table 3.2.1 Interview numbers and universe**

Scheme type	Interviews	Schemes		Memberships	
		Universe	Survey coverage	Universe	Survey coverage
Other	11	11	100.0%	9,528,824	100.0%
Firefighters	49	50	98.0%	119,356	97.5%
Local Government	97	99	98.0%	6,614,407	99.7%
Police	45	46	97.8%	374,136	98.7%
<b>Total</b>	<b>202</b>	<b>206</b>	<b>98.1%</b>	<b>16,636,723</b>	<b>99.8%</b>

Approaching three-quarters (70%) of the completed surveys were submitted in response to the initial email and reminders, with the remainder submitted during the telephone chasing phase.

### 3.3 Respondent profile

Scheme managers or their representatives contributed to 85% of submitted surveys, and directly completed it in 70% of cases. Over half (54%) of the surveys were completed with input from the pension board chair, with other board members involved in 26%. Two-thirds (66%) involved consultation with the scheme administrator.

Table 3.3.1 Respondent role

Respondent role	Completed	Consulted	Total
Scheme manager	28%	17%	45%
Representative of the scheme manager <sup>4</sup>	42%	30%	60%
Pension board chair	4%	50%	54%
Pension board member <sup>4</sup>	5%	22%	26%
Administrator	13%	53%	66%
Other	8%	14%	21%
<b>Net: Scheme manager/representative</b>	<b>70%</b>	<b>43%</b>	<b>85%</b>
<b>Net: Pension board chair/member</b>	<b>9%</b>	<b>55%</b>	<b>60%</b>

### 3.4 Analysis and reporting conventions

Throughout this report, results are reported at an aggregate level for all respondents and by cohort: Local Government, Firefighters', Police and 'Other'<sup>5</sup> schemes. The cohorts are grouped in this way to reflect the different governance structures, funding methods and employer profiles.

To ensure that results are representative of all public service pension schemes, the data throughout this report is shown weighted. **Scheme** data has been weighted based on the number of public service schemes of each type. **Membership** data has been weighted based on the total number of memberships in each scheme type. It should be noted that the membership-weighted results are heavily influenced by the 'Other' schemes, which account for 57% of all memberships. The narrative commentary in this report therefore typically focuses on the scheme-weighted findings.

Where available and comparable, the results from previous PSPS governance and administration surveys have been included<sup>6</sup>.

When interpreting the data presented in this report, please note that results may not sum to 100% due to rounding and/or due to respondents being able to select more than one answer to a question.

<sup>4</sup> For 'representative of the scheme manager' and 'pension board member', the **total** percentage is lower than the sum of the **completed by** and **consulted with** percentages. This is because there can be more than one person at the scheme in these roles, and in some cases, one completed the survey, and another consulted on it, so they appear in both these columns (but only count once in the total column).

<sup>5</sup> Centrally administered unfunded schemes, ie excluding relevant Local Government, Firefighters' and Police schemes.

<sup>6</sup> Although data was reported unweighted in the published 2015 report, weights have been retrospectively applied to this data to ensure direct comparability with the results from subsequent surveys. For this reason, the 2015 figures do not always exactly match those in the published 2015 report.

Data presented in this report are from a sample of public service schemes rather than the total population. This means the results are subject to sampling error.

Differences between cohorts and different years of the research have been tested for statistical significance, using finite population correction (ie reflecting that 98% of the total public service scheme universe completed the survey).

Differences are commented on in the text only if they are statistically significant at the 95% confidence level. This means there is no more than a 5% chance that any reported differences are not real but a consequence of sampling error.



## 4. Research findings

### 4.1 Scheme governance

Overall, 92% of schemes had a documented policy to manage board members' conflicts of interest, representing 81% of memberships. 'Other' schemes were least likely to have a conflicts of interest policy in place (73%).

**Figure 4.1.1 Proportion of schemes with a documented policy to manage pension board members' conflicts of interest**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 1%), Memberships (202, 0%, 6%), Other (11, 0%, 9%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 2%, 2%)

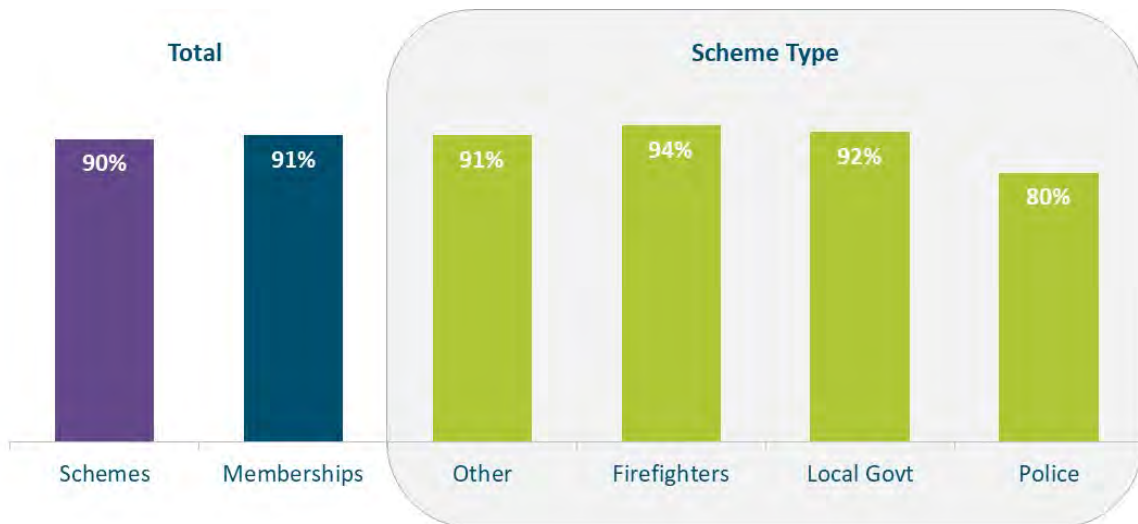
The overall proportion of schemes with a documented policy to manage conflicts of interest was unchanged compared with 2018 (92% in 2019 and 90% in 2018). There was an increase for Firefighters' schemes over this period (+9 percentage points) and a decrease for 'Other' schemes (-9 percentage points). However, the latter change related to just one of the 11 'Other' schemes.

**Table 4.1.1 Proportion of schemes with a documented policy to manage pension board members' conflicts of interest – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
<b>PSPS Survey 2019</b>	<b>92%</b>	<b>73%</b>	<b>94%</b>	<b>92%</b>	<b>93%</b>
PSPS Survey 2018	90%	82%	85%	93%	91%
PSPS Survey 2017	92%	91%	94%	92%	91%
PSPS Survey 2016	81%	100%	80%	85%	71%
PSPS Survey 2015	85%	100%	79%	87%	86%

As detailed below, 90% of schemes maintained a register of pension board members' interests. This was lowest among Police schemes (80%).

**Figure 4.1.2 Proportion of schemes that maintained a register of pension board members' interests**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 2%), Memberships (202, 0%, 6%), Other (11, 0%, 9%), Firefighters (49, 0%, 2%), Local Government (97, 0%, 1%), Police (45, 11%, 2%)

The proportion of schemes with a register of interests was the same as in the 2018 survey (90% in each case). There was a decrease among 'Other' schemes (-9 percentage points) but this related to just one scheme that indicated they had a register of interests in 2018 but did not answer the question in 2019.

**Table 4.1.2 Proportion of schemes that maintained a register of pension board members' interests – Time series**

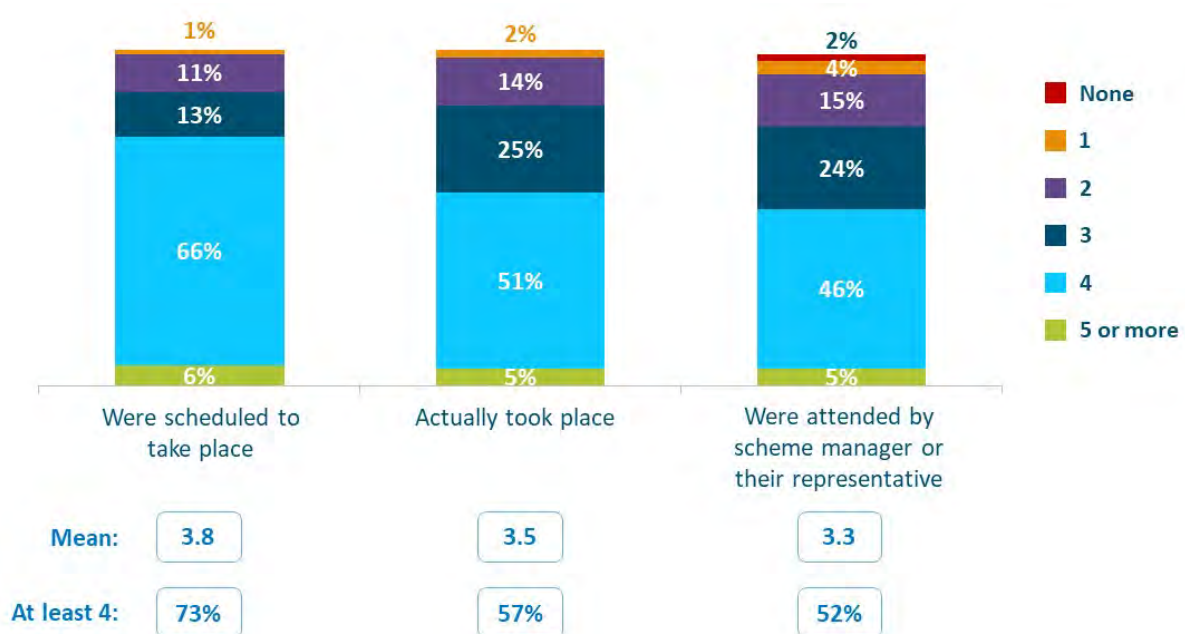
	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
<b>PSPS Survey 2019</b>	<b>90%</b>	<b>91%</b>	<b>94%</b>	<b>92%</b>	<b>80%</b>
PSPS Survey 2018	90%	100%	93%	89%	86%
PSPS Survey 2017	84%	91%	92%	86%	70%
PSPS Survey 2016	85%	100%	86%	87%	74%
PSPS Survey 2015	75%	92%	57%	77%	86%

On average, schemes had scheduled 3.8 pension board meetings in the previous 12 months, with three-quarters (73%) of schemes scheduling four or more board meetings over that period.

However, not all the scheduled meetings went ahead; schemes reported that they held an average of 3.5 board meetings in the previous 12 months, with 57% holding four or more. A minority of schemes (17%) reported that their pension boards had met twice or less in the previous 12 months.

Most pension board meetings were attended by the scheme manager or their representative. On average they had attended 3.3 meetings in the previous 12 months. Just over half (52%) of schemes indicated that the scheme manager or their representative had attended at least four board meetings during that period.

**Figure 4.1.3 Number of pension board meetings in last 12 months**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%-1%, 1%)

Across all schemes, the mean proportion of scheduled pension board meetings that actually took place was 94%. On average, 95% of the meetings that took place were attended by the scheme manager or their representative.

**Table 4.1.3 Proportion of pension board meetings that went ahead and were attended by scheme manager/representative**

	Total schemes
Base: All respondents	202
% of scheduled meetings that took place (mean)	94%
% of meetings taking place attended by scheme manager/representative (mean)	95%

Every 'Other' scheme (100%) had scheduled at least four board meetings in the previous 12 months, and they were most likely to have held at least four meetings over this period (82%). The pension boards of Firefighters' schemes met least frequently, with 31% holding four or more meetings in the previous 12 months (and a mean of 2.9 meetings).

**Table 4.1.4 Number of pension board meetings in last 12 months - by scheme type**

		Scheme Type			
		Other	Firefighters	Local Govt	Police
<i>Base: All respondents</i>		11	49	97	45
Scheduled to take place	Mean	4.0	3.2	3.9	4.1
	At least 4	100%	49%	74%	89%
Actually took place	Mean	3.7	2.9	3.7	3.6
	At least 4	82%	31%	67%	58%
Attended by scheme manager/representative	Mean	3.7	2.7	3.7	3.3
	At least 4	82%	24%	65%	47%
<b>% of scheduled meetings that took place (mean)</b>		<b>93%</b>	<b>91%</b>	<b>97%</b>	<b>90%</b>
<b>% of meetings taking place attended by scheme manager/representative (mean)</b>		<b>100%</b>	<b>93%</b>	<b>98%</b>	<b>92%</b>

Larger schemes typically held a greater number of board meetings; 74% of schemes with over 30,000 memberships had at least four meetings in the previous 12 months, compared with 58% of those with 5,001-30,000 memberships, 47% of those with 2,001-5,000 memberships and 31% of those with 2,000 or fewer memberships.

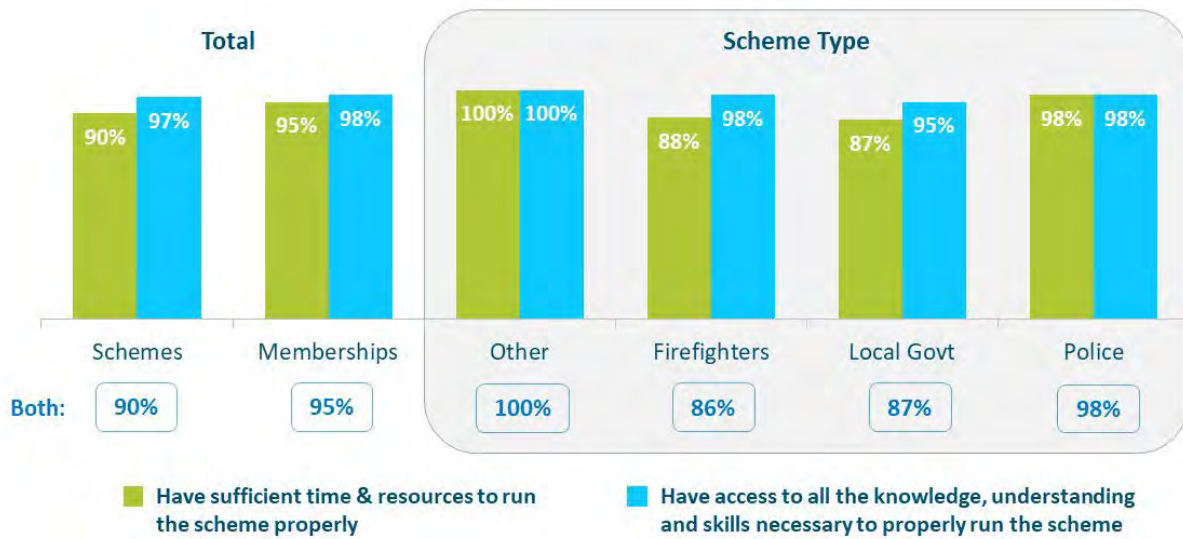
The smallest single employer schemes (with 2,000 or fewer memberships) held board meetings least frequently; 28% had four or more in the previous 12 months.

Schemes were asked whether the scheme manager and pension board had sufficient time and resources to run the scheme properly, and whether they had access to all the necessary knowledge, understanding and skills.

Figure 4.1.4 shows that 97% believed the scheme manager and pension board had access to all the knowledge and skills necessary to properly run the scheme. Schemes were comparatively less likely to report that they had sufficient time and resources, but 90% still agreed this was the case.

Every 'Other' scheme felt they had sufficient knowledge, understanding and skills, and sufficient time and resources.

**Figure 4.1.4 Scheme manager and pension board resources and knowledge**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 1-2%, 1%), Memberships (202, 1%, 0%), Other (11, 0%, 0%), Firefighters (49, 2%, 0%), Local Government (97, 2-3%, 1%), Police (45, 0%, 2%)

The proportion of schemes reporting that their scheme manager and pension board had sufficient time and resources increased between 2017 and 2018 (for all types of scheme), but there was no change between 2018 and 2019.

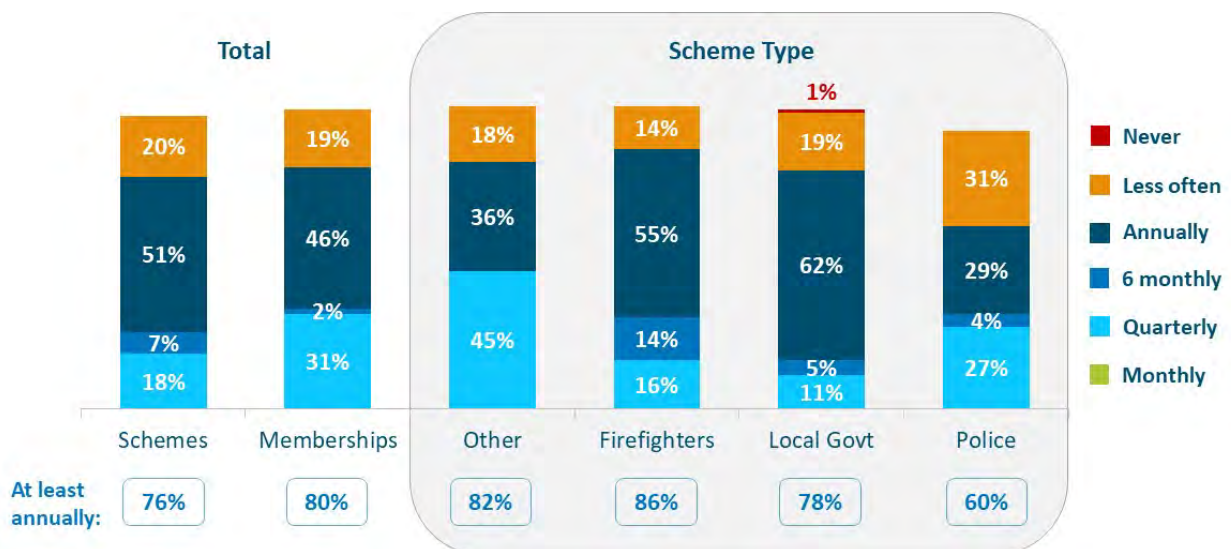
Similarly, there was no change since 2018 in the overall proportion indicating that their scheme manager and pension board had access to all the necessary knowledge, understanding and skills. However, there was an increase for Police schemes (+5 percentage points), returning to the levels seen in 2017.

**Table 4.1.5 Scheme manager and pension board resources and knowledge – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
<b>Sufficient time and resources to run the scheme properly<sup>7</sup></b>					
PSPS Survey 2019	90%	100%	88%	87%	98%
PSPS Survey 2018	91%	100%	87%	89%	95%
PSPS Survey 2017	81%	82%	82%	84%	74%
<b>Access to all the knowledge, understanding and skills necessary to properly run the scheme</b>					
PSPS Survey 2019	97%	100%	98%	95%	98%
PSPS Survey 2018	96%	100%	98%	96%	93%
PSPS Survey 2017	95%	91%	92%	97%	98%
PSPS Survey 2016	93%	100%	94%	93%	89%
PSPS Survey 2015	73%	92%	36%	85%	82%

In the majority of cases (76%) the scheme manager or pension board carried out an evaluation of the board’s knowledge, understanding and skills at least annually. This proportion was lowest for Police schemes, where almost a third (31%) did not evaluate their board at least annually.

**Figure 4.1.5 Frequency of scheme manager or pension board carrying out an evaluation of the knowledge, understanding and skills of the board in relation to running the scheme**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 1%), Memberships (202, 1%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 1%, 1%), Police (45, 7%, 2%)

<sup>7</sup> This question was not asked in 2015 or 2016 so no comparable data is available.



There was a decline since 2018 in the proportion of schemes that evaluated their board at least annually, from 82% to 76%. This was driven by a fall for Local Government and Police schemes (-8 and -22 percentage points respectively). In comparison, there was an increase for both ‘Other’ and Firefighters’ schemes (+18 and +10 percentage points respectively).

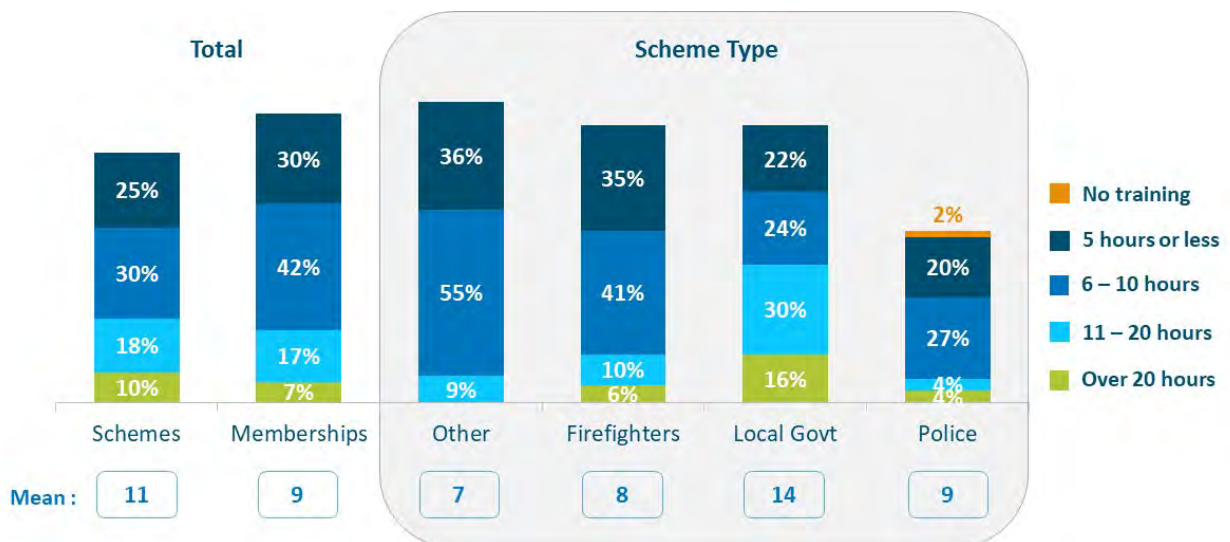
**Table 4.1.6 Proportion of schemes that carried out an evaluation of the knowledge, understanding and skills of the board at least annually – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	76%	82%	86%	78%	60%
PSPS Survey 2018	82%	64%	76%	86%	82%

As shown in Figure 4.1.6, pension board members received an average of 11 hours training per year in relation to their role on the board. Training levels varied widely, with 10% of schemes reporting that board members received over 20 hours per year but 25% indicating that it was five hours or less.

Local Government schemes had the highest number of hours of training, with an average of 14 hours per board member. While the mean for Police schemes was nine hours, a large proportion (40%) of this cohort did not know how many hours of training their board members received.

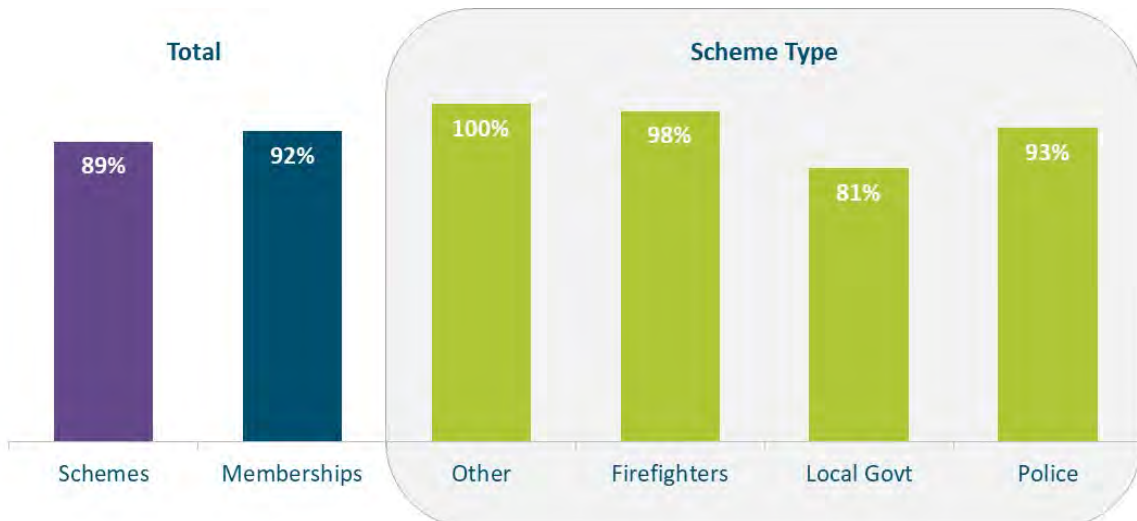
**Figure 4.1.6 Hours of training per year for each pension board member in relation to their role on the board**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 13%, 2%), Memberships (202, 3%, 1%), Other (11, 0%, 0%), Firefighters (49, 8%, 0%), Local Government (97, 5%, 3%), Police (45, 40%, 2%)

Most schemes (89%) believed that their pension board had access to all the information about the operation of the scheme it had needed to fulfil its functions in the previous 12 months. While Local Government schemes were least likely to report this (81%), 13% of this group either did not know if the board had access to all the information needed or did not answer the question.

**Figure 4.1.7 Proportion of schemes where pension board had access to all the information about the operation of the scheme it needed to fulfil its functions in last 12 months**

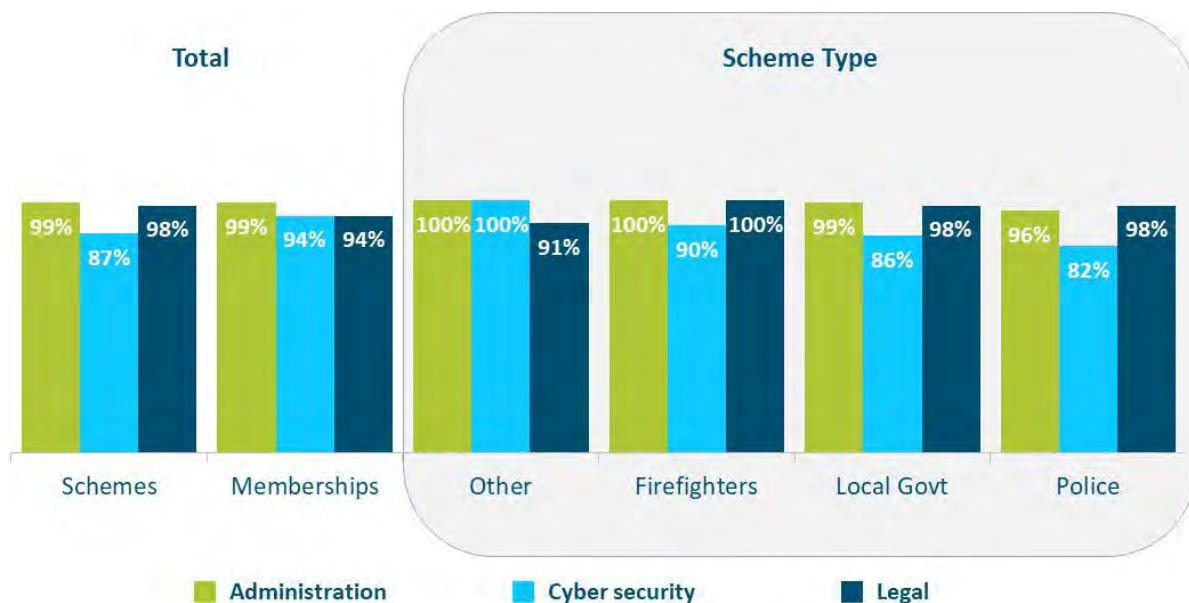


All respondents (Base, Don't know, Did not answer question) - Schemes (202, 7%, 1%), Memberships (202, 5%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 12%, 1%), Police (45, 4%, 2%)

Almost all schemes felt that, when needed, their pension board was able to obtain sufficient specialist advice on administration (99%) and legal matters (98%). While most also felt the board could access the necessary specialist advice on cyber security, this proportion was comparatively lower (87%).



**Figure 4.1.8 Proportion of schemes where pension board was able to obtain sufficient specialist advice on administration, cyber security and legal matters when needed**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 1%-7%, 0%), Memberships (202, 0%-5%, 0%), Other (11, 0%-9%, 0%), Firefighters (49, 0%-4%, 0%), Local Government (97, 0%-8%, 1%), Police (45, 2%-11%, 0%)

As shown in Table 4.1.7, two-thirds (67%) of schemes had more than five current members on their pension board at the time they completed the survey. The mean number of current board members was 6.9 (compared with 6.8 in the 2018 survey).

**Table 4.1.7 Number of current pension board members**

	Total schemes
<i>Base: All respondents</i>	202
2-3 current board members	2%
4-5 current board members	30%
6-7 current board members	29%
8-9 current board members	21%
10+ current board members	17%
<b>Mean number of current board members</b>	<b>6.9</b>
Don't know	0%
Did not answer question	0%

Eight schemes (4%) reported that they had fewer current board members at the time they completed the survey than specified by their respective regulations. Of these, four were Local Government and four were Police schemes.

Schemes were also asked to provide details of the number of vacant positions on their board, the number of board members that had left in the previous 12 months and the number of members appointed in this period.

While the majority of schemes (75%) reported that one or more board members had left in the previous 12 months, 74% indicated that at least some of these had been replaced with new appointments. Just over a quarter (27%) of schemes had any vacant positions on the board at the time they completed the survey.

**Table 4.1.8 Turnover of pension board members**

	Vacant positions	Members that left in last 12 months	Members appointed in last 12 months
<i>Base: All respondents</i>	202	202	202
0	71%	22%	24%
1	19%	38%	30%
2	5%	21%	29%
3	2%	11%	8%
4+	0%	5%	6%
<b>Net: 1+</b>	<b>27%</b>	<b>75%</b>	<b>74%</b>
<b>Mean</b>	<b>0.4</b>	<b>1.4</b>	<b>1.5</b>
Don't know	1%	1%	1%
Did not answer question	1%	1%	1%

Further analysis was conducted to assess the total number of board positions in each scheme. The number of 'total positions' on the board was calculated by combining the number of current board members and number of vacant positions.

As shown in Table 4.1.9, the mean number of total positions was 7.2. On average, schemes reported that 20% of the total positions on their board had left in the previous 12 months and 21% had been appointed in the previous 12 months. The mean proportion of total board positions that were vacant at the time the schemes completed the survey was 5%.

**Table 4.1.9 Number of total pension board positions (current members plus vacant positions)**

	Total schemes
<i>Base: All respondents</i>	202
Mean number of total positions on board (current + vacant)	7.2
Mean % of total positions that are vacant	5%
Mean % of total positions that left in last 12 months	20%
Mean % of total positions appointed in last 12 months	21%

'Other' schemes tended to have the greatest number of current board members (a mean of 11.1) and Firefighters' schemes had the fewest (a mean of 5.4). Police schemes had the fewest vacant board positions (a mean of 0.1).

**Table 4.1.10 Number and turnover of pension board members – by scheme type**

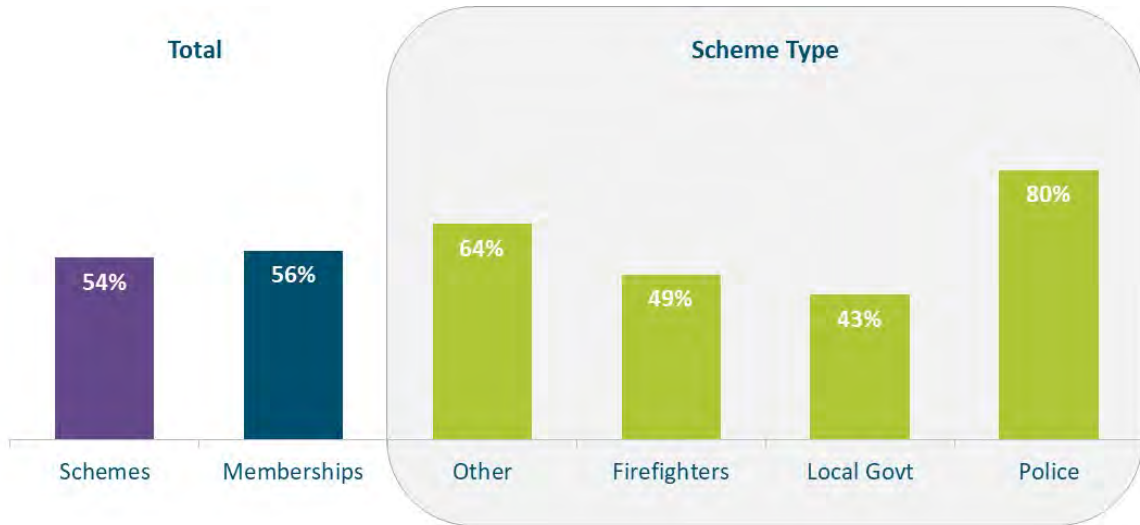
	Scheme Type			
	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	11	49	97	45
Mean no. of current board members	11.1	5.4	6.4	8.7
Mean no. of vacant positions	0.6	0.3	0.5	0.1
Mean no. of board members that left in last 12 months	1.9	1.1	1.3	1.7
Mean no. of board members appointed in last 12 months	1.8	1.3	1.3	2.0
<b>Mean % of total positions that are vacant</b>	<b>6%</b>	<b>5%</b>	<b>7%</b>	<b>1%</b>
<b>Mean % of total positions that left in last 12 months</b>	<b>18%</b>	<b>20%</b>	<b>19%</b>	<b>21%</b>
<b>Mean % of total positions appointed in last 12 months</b>	<b>17%</b>	<b>22%</b>	<b>19%</b>	<b>23%</b>

As mentioned previously, eight schemes had fewer current board members at the time they completed the survey than specified by their respective regulations. Six of these schemes had vacant positions on their board. If these vacant positions were filled, each of these six schemes would have met the minimum requirement for the number of pension board members for their type of scheme.

The remaining two schemes that had fewer current board members than required by their regulations were Police schemes that did not report any vacant positions.

Over half (54%) of schemes had a succession plan in place for members of the pension board. This differed widely by scheme type, ranging from 80% of Police schemes to 43% of Local Government.

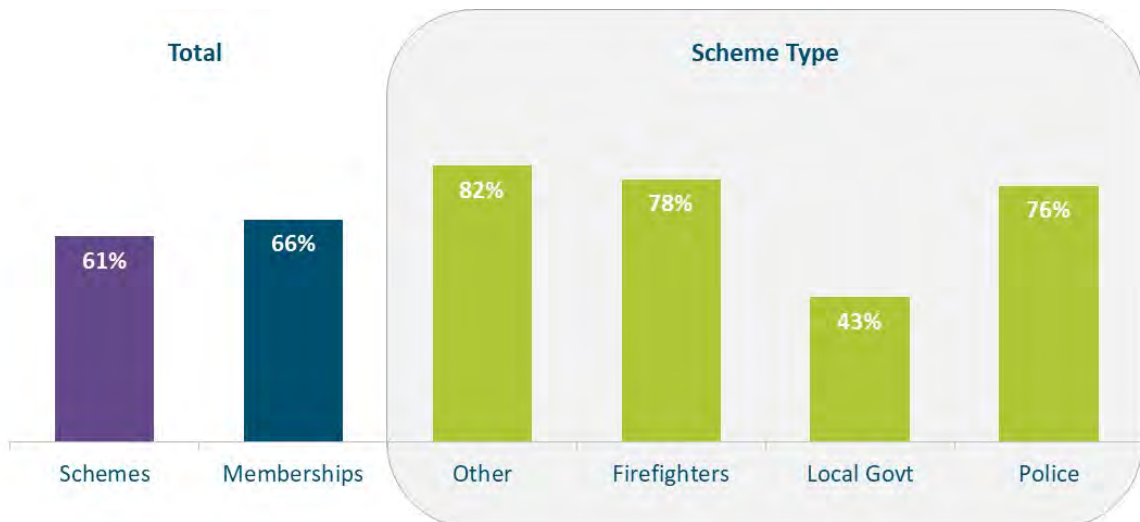
**Figure 4.1.9 Proportion of schemes with a succession plan in place for pension board members**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 4%, 1%), Memberships (202, 1%, 0%), Other (11, 0%, 0%), Firefighters (49, 4%, 0%), Local Government (97, 2%, 1%), Police (45, 9%, 2%)

Overall, 61% of schemes reported that the scheme manager had delegated responsibility for making the day-to-day decisions needed to run the scheme to another person. This was least likely to be the case among Local Government schemes (43%).

**Figure 4.1.10 Proportion of schemes where scheme manager delegated responsibility for making day-to-day decisions to another person**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 2%, 0%)

## 4.2 Managing risk

Around eight in ten schemes (82%) had documented procedures for assessing and managing risk. Every 'Other' scheme had these in place (100%), but Firefighters' schemes were least likely to do so (76%).

**Figure 4.2.1 Proportion of schemes with their own documented procedures for assessing and managing risk**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 0%, 0%)

Following a pattern of improved risk management between 2015 and 2018, there was a decline on this measure in 2019 (from 92% to 82%). However, this is likely to be due to a change made to the questionnaire in 2019. Previously schemes were just asked if they had documented procedures for assessing and managing risk, but in 2019 they were asked if they had their 'own' procedures for this and were specifically instructed to answer 'no' if they relied on their local authority's risk procedures. The fall in the proportion of schemes meeting this criteria was most evident for Local Government schemes (-16 percentage points).

**Table 4.2.1 Proportion of schemes with documented procedures for assessing and managing risk – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	82%	100%	76%	80%	87%
PSPS Survey 2018	92%	100%	80%	96%	93%
PSPS Survey 2017	83%	82%	63%	93%	84%
PSPS Survey 2016	72%	91%	44%	92%	51%
PSPS Survey 2015	70%	100%	36%	79%	82%

The vast majority (93%) of schemes had a risk register, although this was least likely to be the case for Firefighters' schemes (86%).

**Figure 4.2.2 Proportion of schemes with their own risk register**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 0%, 0%)

As with procedures for assessing and managing risk, this survey question was also changed in 2019 to ask whether schemes had their 'own' risk register and instruct them to answer 'no' if they relied on their local authority's register. However, for this measure the questionnaire change had no impact on the results, which were consistent with those seen in 2018.

**Table 4.2.2 Proportion of schemes with a risk register – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	93%	100%	86%	96%	93%
PSPS Survey 2018	94%	100%	87%	98%	93%
PSPS Survey 2017	88%	91%	69%	97%	88%
PSPS Survey 2016	70%	91%	38%	91%	51%
PSPS Survey 2015	76%	100%	36%	91%	82%

All schemes were asked to identify the top three governance and administration risks on their register (or facing the scheme if they did not have a risk register). As detailed in Table 4.2.3, a wide range of risks were reported. The most prevalent was record-keeping (50%), followed by funding or investment (33%), regulatory compliance (28%) and cyber risk (25%).

The key risks differed by scheme type. For 'Other' schemes the top risk was systems failures (64%), for Firefighters' it was record-keeping and securing

compliance with regulatory changes (both 53%), for Local Government it was funding or investment (63%)<sup>8</sup>, and for Police it was record-keeping (73%).

**Table 4.2.3 Top governance and administration risks**

Top Mentions (5%+)	Total			Scheme Type		
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Record-keeping (ie receipt and management of correct data)	50%	34%	27%	53%	40%	73%
Funding or investment	33%	25%	0%	8%	63%	2%
Securing compliance with changes in scheme regulations	28%	15%	9%	53%	22%	20%
Cyber risk	25%	14%	9%	20%	19%	47%
Recruitment and retention of staff or knowledge	23%	18%	9%	24%	32%	4%
Systems failures (IT, payroll, administration systems, etc)	20%	44%	64%	22%	16%	16%
Administrator issues (expense, performance, etc)	16%	27%	36%	18%	13%	13%
Lack of resources/time	14%	22%	27%	14%	16%	7%
Production of annual benefit statements	12%	24%	36%	16%	6%	13%
Failure of internal controls	11%	18%	27%	10%	4%	22%
Guaranteed Minimum Pension (GMP) reconciliation	10%	8%	9%	2%	6%	27%
Lack of knowledge, effectiveness or leadership among key personnel	9%	4%	0%	12%	8%	9%
McCloud judgement	7%	8%	9%	2%	6%	16%
Receiving contributions from the employer(s)	5%	4%	0%	0%	10%	0%
Don't know	2%	0%	0%	6%	0%	2%
Did not answer question	1%	1%	0%	0%	2%	0%

<sup>8</sup> Only Local Government schemes are funded so this risk is not relevant to the other scheme types.



As detailed in table 4.2.4, around a third of schemes (35%) had reviewed their exposure to new and existing risks in at least 4 board meetings over the previous 12 months. Most of the remainder had reviewed their risk exposure in 2-3 meetings (42%) but 16% had done so on only one occasion and 5% had not reviewed their risk exposure at any board meetings in the previous 12 months.

On average, schemes reviewed their risk exposure at 2.7 board meetings in the previous 12 months. This equated to 77% of all board meetings held.

**Table 4.2.4 Number of pension board meetings held in last 12 months that reviewed the scheme's risk exposure**

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	11	49	97	45
None	5%	0%	6%	6%	4%
1	16%	0%	18%	23%	2%
2	21%	9%	37%	24%	2%
3	20%	18%	18%	13%	38%
4	34%	73%	20%	30%	47%
5+	1%	0%	0%	2%	0%
<b>Net: 4 or more</b>	<b>35%</b>	<b>73%</b>	<b>20%</b>	<b>32%</b>	<b>47%</b>
<b>Mean number of board meetings that reviewed risk exposure</b>	<b>2.7</b>	<b>3.6</b>	<b>2.3</b>	<b>2.5</b>	<b>3.3</b>
<b>Mean % of board meetings that reviewed risk exposure</b>	<b>77%</b>	<b>98%</b>	<b>78%</b>	<b>68%</b>	<b>92%</b>

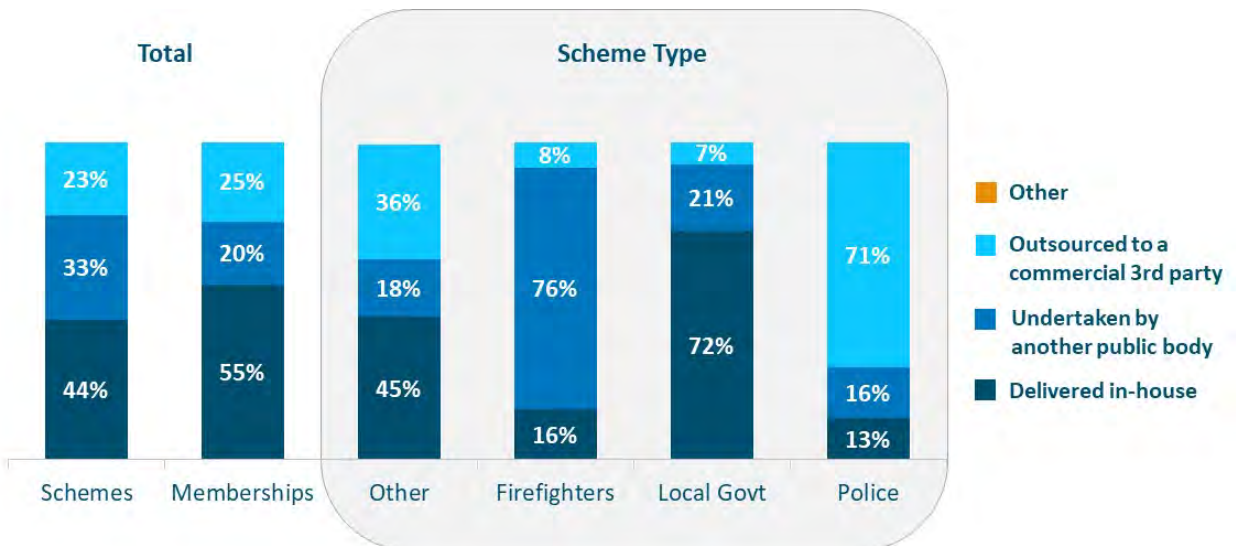
Firefighters' schemes were least likely to have reviewed their risk exposure on a regular basis; 20% had done so in at least four board meetings in the previous 12 months. In comparison, 73% of 'Other' schemes had reviewed their risk exposure in four or more board meetings (and it was covered at 98% of all board meetings).



### 4.3 Administration and record-keeping

The majority of schemes (56%) used an external administrator. This included 33% where the administration was undertaken by another public body under a shared service agreement or outsource contract and 23% where the administration was outsourced to a commercial third party. The remaining 44% were administered in-house.

**Figure 4.3.1 Scheme administration arrangements**

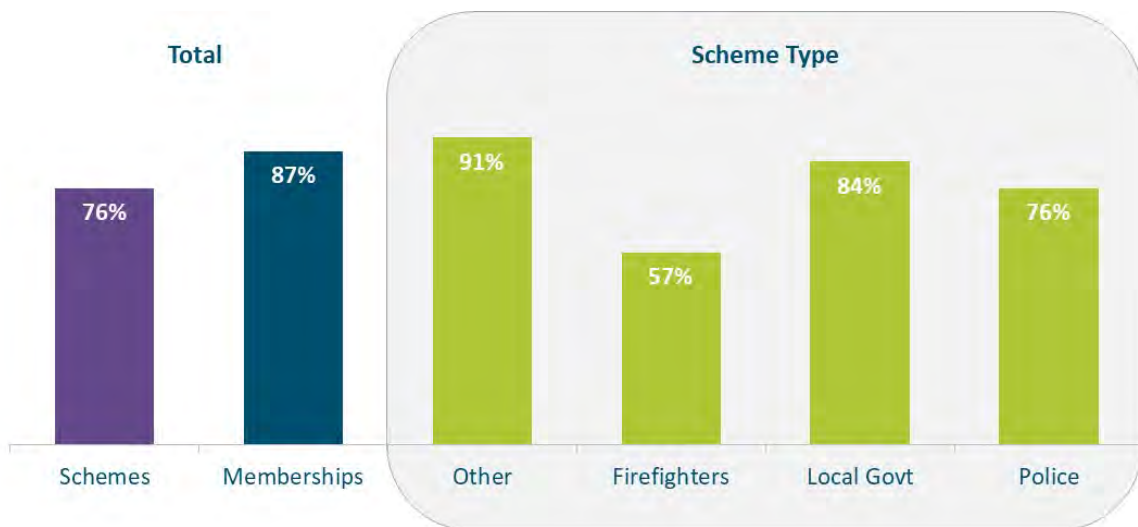


All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 0%), Police (45, 0%, 0%)

There was some variation by scheme type in terms of the administration arrangements. Just under three-quarters (72%) of Local Government schemes undertook scheme administration in-house, whereas 'Other', Firefighters' and Police schemes were more likely to outsource it (55%, 84% and 87% respectively). Of the latter groups, Firefighters' schemes tended to outsource administration to another public body whereas Police and 'Other' schemes were more likely to use a commercial third party.

As shown in Figure 4.3.2, three-quarters (76%) of schemes had an administration strategy. This ranged from 91% of 'Other' schemes down to 57% of Firefighters'. Overall, 87% of all memberships were in a scheme which had an administration strategy.

Figure 4.3.2 Proportion of schemes with an administration strategy



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 5%, 0%), Memberships (202, 5%, 0%), Other (11, 9%, 0%), Firefighters (49, 12%, 0%), Local Government (97, 0%, 0%), Police (45, 9%, 0%)

There was no difference in this respect between schemes that were administered in-house and those that outsourced administration to either a commercial third party or another public body (Table 4.3.1).

**Table 4.3.1 Whether had an administration strategy – by administration arrangement**

	Administration arrangement		
	In-house	Another public body	Commercial 3 <sup>rd</sup> party
<i>Base: All respondents</i>	89	66	47
Administration strategy	79%	71%	77%
No administration strategy	20%	21%	13%
Don't know	1%	8%	11%
Did not answer question	0%	0%	0%

Schemes measured the performance of their administrators in a variety of ways (Table 4.3.2). The most common method was checking performance against service level agreements or service schedules (85%). The majority of schemes also used complaints volumes and trends (70%) and auditing administration functions and systems (66%).

The approaches employed to monitor and manage their administrators differed by scheme type. 'Other' schemes used the widest range of measures, whereas Firefighters' schemes primarily relied on performance against service level agreements or service schedules and were generally less likely to use other methods.

**Table 4.3.2 Methods used to measure administrator performance**

	Total		Scheme Type			
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Performance against a service level agreement or service schedule	85%	93%	100%	84%	82%	89%
Complaints volumes and trends	70%	84%	91%	57%	74%	71%
Auditing administration functions and systems	66%	84%	91%	55%	76%	51%
Testing the accuracy of calculations	45%	58%	64%	20%	49%	56%
Benchmarking against the market	37%	41%	36%	16%	49%	33%
Assessing project delivery against initially agreed time and cost	32%	39%	45%	18%	31%	44%
Member satisfaction ratings	31%	54%	64%	18%	44%	9%
Analysis of errors	31%	43%	45%	22%	41%	16%
Volumes of rework required	14%	34%	45%	6%	21%	2%
'Right first time' statistics	8%	25%	36%	2%	9%	4%
None of these	1%	0%	0%	2%	1%	2%
Don't know	0%	0%	0%	0%	0%	2%
Did not answer question	0%	0%	0%	0%	1%	0%

Table 4.3.3 shows that there were some differences in the methods used to measure administrator performance between schemes that were administered in-house and those where this was conducted externally.

The use of service level agreements or service schedules was less prevalent where schemes were administered in-house (72%, compared with 92% of those administered by another public body and 100% of those administered by a commercial third party). The former were instead most likely to measure performance by auditing administration functions and systems (82%, compared with 52% of those administered by another public body and 57% of those administered by a commercial third party).

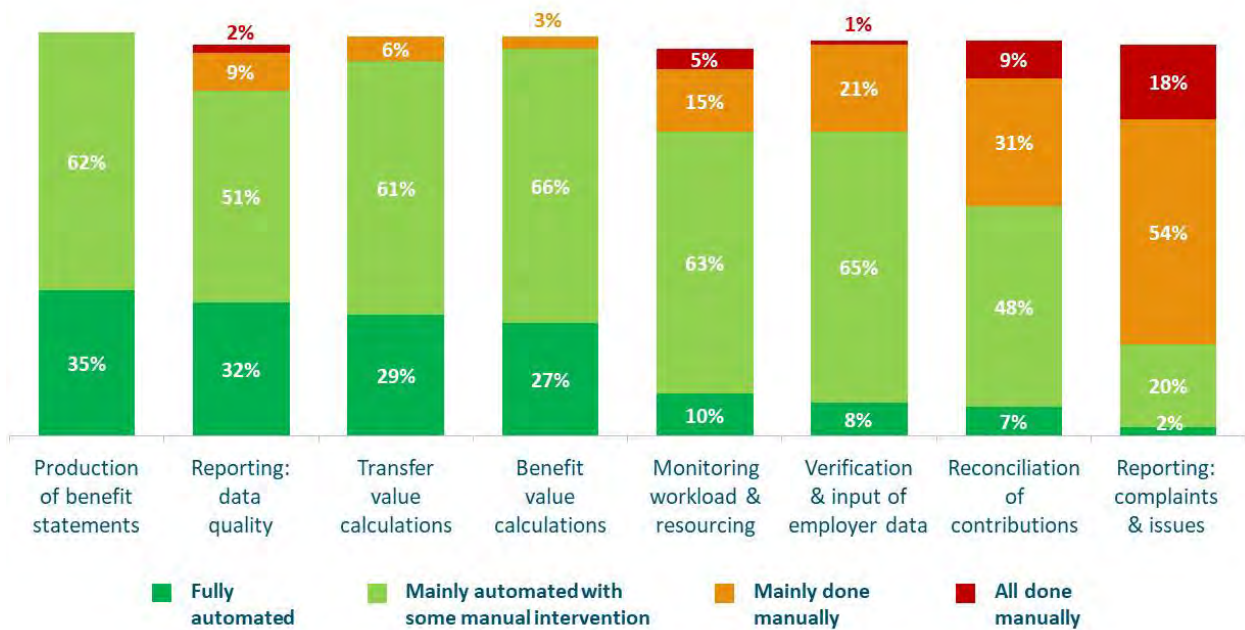
**Table 4.3.3 Methods used to measure administrator performance – by administration arrangement**

	Administration arrangement		
	In-house	Another public body	Commercial 3 <sup>rd</sup> party
<i>Base: All respondents</i>	89	66	47
Performance against a service level agreement or service schedule	72%	92%	100%
Complaints volumes and trends	71%	61%	83%
Auditing administration functions and systems	82%	52%	57%
Testing the accuracy of calculations	54%	20%	62%
Benchmarking against the market	49%	21%	36%
Assessing project delivery against initially agreed time and cost	27%	23%	53%
Member satisfaction ratings	38%	30%	19%
Analysis of errors	43%	29%	13%
Volumes of rework required	21%	8%	11%
'Right first time' statistics	11%	5%	6%
None of these	2%	2%	0%
Don't know	1%	0%	0%
Did not answer question	0%	2%	0%

The 2019 survey included several questions around automation. In this context, a process was defined as automated if it was completed through the use of technology (e.g. a software platform) with minimal human intervention.

As set out in Figure 4.3.3, full automation of key administration processes was relatively uncommon, but some degree of automation was more widespread. The production of benefit statements was most likely to be automated to at least some extent, with no schemes doing this entirely or mainly manually. However, the reporting of complaints and issues was typically a manual process (73% of schemes did this entirely or mainly manually).

Figure 4.3.3 Automation of key processes



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%-4%, 1%-3%)

Table 4.3.4 shows that schemes administered in-house were comparatively more likely to carry out several of these processes manually: reporting – data quality (17%), monitoring workload and resourcing (34%), and reconciliation of contributions (53%).

**Table 4.3.4 Proportion completing each process all/mainly manually – by administration arrangement**

Proportion reporting process is 'all done manually' or 'mainly done manually'	Administration arrangement		
	In-house	Another public body	Commercial 3 <sup>rd</sup> party
<i>Base: All respondents</i>	89	66	47
Production of benefit statements	1%	0%	2%
Reporting – data quality	17%	8%	6%
Transfer value calculations	6%	8%	6%
Benefit value calculations	4%	2%	4%
Monitoring workload and resourcing	34%	12%	9%
Verification and input of employer data	26%	14%	28%
Reconciliation of contributions	53%	32%	28%
Reporting – complaints and issues	75%	68%	75%

As set out in Table 4.3.5, when asked what barriers they faced to automating more of the scheme's processes the most common responses were difficulty in integrating it with their existing systems (39%), a lack of suitable technology (36%), the initial set-up costs (28%) and the poor quality of the data (20%).

**Table 4.3.5 Barriers to automating the scheme's processes**

Top Mentions (5%+)	Total			Scheme Type		
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Difficulty in integrating it with the scheme's existing systems	39%	55%	64%	35%	44%	27%
Lack of suitable technology	36%	38%	36%	33%	42%	24%
The initial set-up costs involved	28%	39%	45%	24%	30%	22%
Poor quality of the data	20%	31%	36%	12%	26%	13%
Lack of knowledge/expertise about how to implement this	11%	7%	0%	4%	16%	9%
Resource issues	9%	4%	0%	16%	10%	0%
Time issues	7%	1%	0%	22%	3%	0%
Securing the necessary internal approval	6%	8%	9%	2%	5%	11%
Complexity of scheme/scheme rules	5%	18%	27%	2%	6%	0%
Issues working with/coordinating with other parties	5%	3%	0%	6%	7%	0%
No barriers to automating more of the schemes processes	18%	10%	9%	14%	10%	40%
Don't know	4%	1%	0%	6%	1%	9%
Did not answer question	0%	0%	0%	0%	1%	0%

For each type of scheme, the most widely mentioned barrier to automation was difficulty integrating it with the scheme's existing systems. This was a particular issue for 'Other' schemes (64%).

'Other' schemes were also comparatively more likely to identify set-up costs (45%), poor data quality (36%) and scheme complexity (27%) as barriers. Firefighters' schemes were more likely than other scheme types to highlight

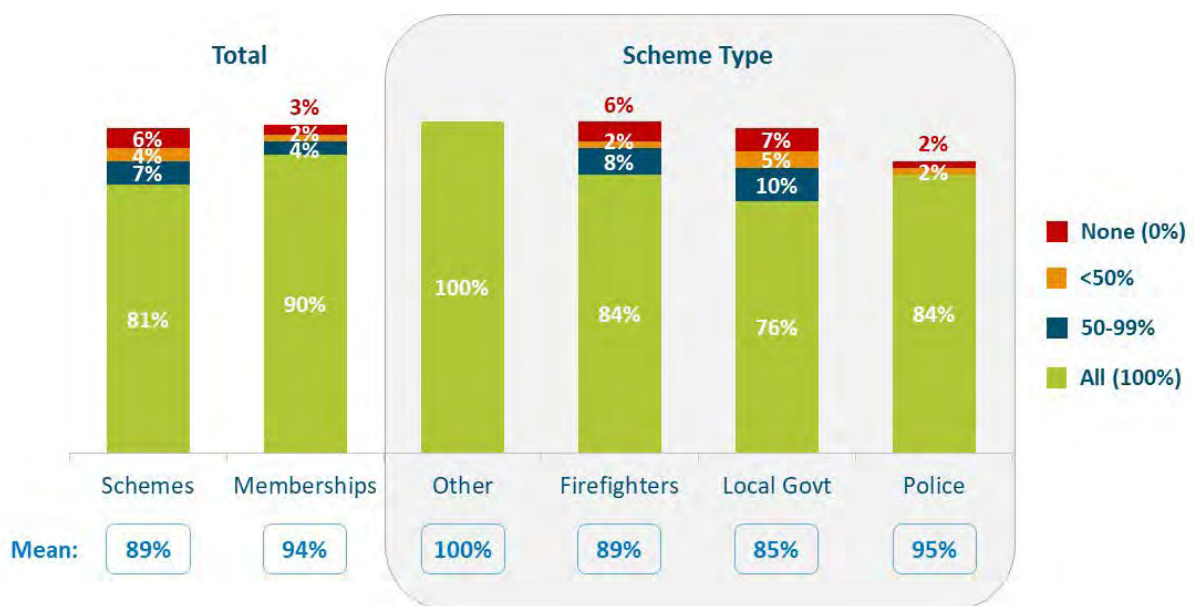


time issues (22%) and resource issues (16%), Local Government schemes were more likely to mention lack of suitable technology (42%) and Police schemes were more likely to feel that there were no barriers to further automation of their processes (40%).

As shown in Figure 4.3.4, most schemes (81%) included administration as a dedicated item on the agenda at every pension board meeting. A further 7% covered it in at least half of their board meetings, but 4% did so at fewer than half of their meetings and 6% never included it on the agenda.

All the 'Other' schemes formally covered administration every time the board met. Local Government schemes were the least likely to report this (76%).

**Figure 4.3.4 Proportion of pension board meetings held in last 12 months that had administration as a dedicated item on the agenda**



Base: All that held any board meetings in the last 12 months (Base, Don't know, Did not answer question) - Schemes (200, 3%, 1%), Memberships (200, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (96, 0%, 1%), Police (44, 11%, 0%)

As shown in table 4.3.6, there was an increase since 2018 in the proportion of schemes that included administration on the agenda at every board meeting (+5 percentage points). This was most evident among Police schemes (+9 percentage points).

**Table 4.3.6 Proportion of schemes that had administration on the agenda at every board meeting in last 12 months - Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	81%	100%	84%	76%	84%
PSPS Survey 2018	76%	100%	80%	71%	75%

As set out in Table 4.3.7, the vast majority of schemes had processes in place to monitor administration and record-keeping. Overall, 96% had a process for monitoring the payment of contributions, 92% had a process for resolving contribution payment issues, 92% had a process to monitor records on an ongoing basis to ensure they are accurate and complete, and 91% had a process with the scheme's employer(s) to receive, check and review data.

'Other' schemes were most likely to have these processes in place (100% in each case). Police schemes were least likely to have a process to monitor records for accuracy and completeness (82%) and to receive, check and review data (82%). Firefighters' schemes were least likely to have a process for resolving contribution payment issues (82%).

**Table 4.3.7 Administration and record-keeping processes - Time series**

Proportion with a process...	Total		Scheme Type				
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police	
To monitor records for all membership types on an ongoing basis to ensure they are accurate and complete	<b>2019</b>	<b>92%</b>	<b>97%</b>	<b>100%</b>	<b>94%</b>	<b>94%</b>	<b>82%</b>
	2018	91%	92%	91%	85%	95%	89%
	2017	85%	95%	100%	80%	88%	81%
	2016	89%	91%	91%	88%	90%	86%
With the employer(s) to receive, check and review data	<b>2019</b>	<b>91%</b>	<b>96%</b>	<b>100%</b>	<b>94%</b>	<b>92%</b>	<b>82%</b>
	2018	92%	93%	91%	87%	98%	86%
	2017	86%	96%	100%	78%	92%	77%
	2016	90%	98%	100%	76%	96%	89%
For monitoring the payment of contributions	<b>2019</b>	<b>96%</b>	<b>100%</b>	<b>100%</b>	<b>90%</b>	<b>100%</b>	<b>93%</b>
	2018	98%	100%	100%	96%	100%	95%
	2017	97%	94%	91%	94%	100%	95%
	2016	95%	94%	91%	88%	100%	94%
For resolving contribution payment issues	<b>2019</b>	<b>92%</b>	<b>99%</b>	<b>100%</b>	<b>82%</b>	<b>98%</b>	<b>89%</b>
	2018	94%	99%	100%	85%	98%	95%
	2017	90%	92%	91%	84%	94%	86%
	2016	88%	93%	91%	68%	97%	91%

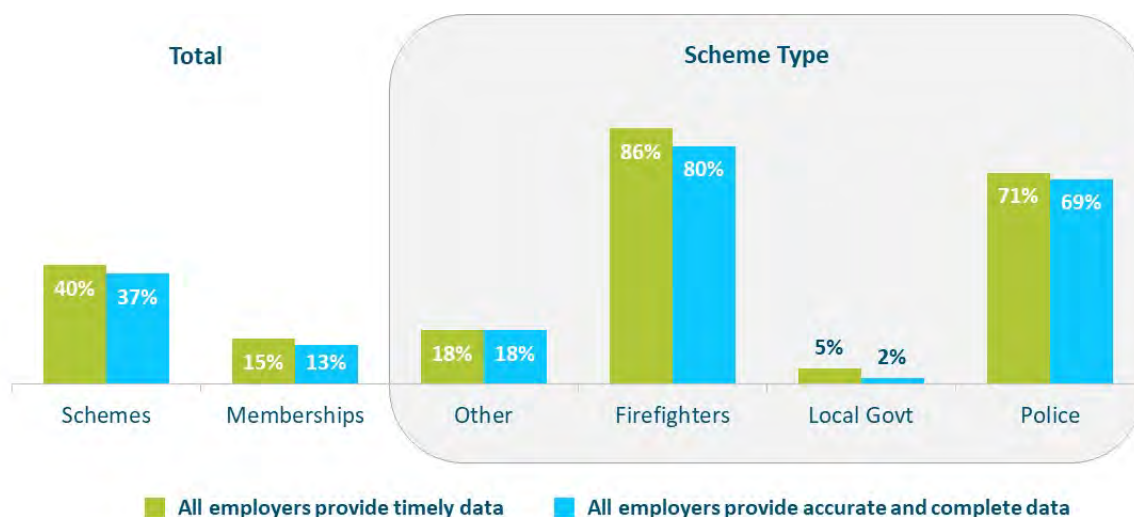
The proportion of schemes with these processes in place was very similar to that seen in 2018. However, there were some changes by scheme type, including increases in the proportion of 'Other' and Firefighters' schemes that had a process to monitor scheme records for accuracy and completeness and a process with the employer(s) to receive, check and review data.



Schemes were asked the extent to which the employer(s) provided timely, accurate and complete data. Single employer schemes were asked whether their participating employer always provided timely, accurate and complete data, whereas multi-employer schemes were asked to give the proportion of their employers that always did this. The analysis in Figure 4.3.5 combines the results from both questions.

Four in ten (40%) schemes reported that all their employers always provided timely data. A slightly lower proportion (37%) reported that all their employers always provided accurate and complete data. However, this differed by scheme type and was lower among 'Other' (18% for each) and Local Government (5% and 2%) schemes, which are typically multi-employer.

**Figure 4.3.5 Proportion of schemes where all employers always provided timely, accurate and complete data**



All respondents (Base, Don't know timely, Did not answer timely, Don't know accurate/complete, Did not answer accurate/complete) - Schemes (202, 3%, 2%, 4%, 2%), Memberships (202, 1%, 2%, 1%, 2%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 0%, 0%, 2%, 0%), Local Government (97, 1%, 4%, 2%, 4%), Police (45, 11%, 2%, 13%, 2%)

As shown in Table 4.3.8, on average 88% of scheme employers always provided timely data, and 84% always provided accurate and complete data. The mean proportions of employers that always provided timely and accurate/complete data were highest for Police schemes (96% for each).

**Table 4.3.8 Mean proportion of employers that always provided timely, accurate and complete data**

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Mean % of employers that always provide timely data	88%	86%	87%	87%	85%	96%
Mean % of employers that always provide accurate and complete data	84%	82%	83%	82%	80%	96%

Table 4.3.9 shows that the proportion of schemes reporting that all their employers always provided timely, accurate and complete data was very similar to that seen in 2018. The only change was for Police schemes, where there was a fall on both of these measures (-11 percentage points for timely data and -13 percentage points for accurate and complete data).

At the total level, there was also no change since 2018 in the mean proportion of employers that always provided timely or accurate and complete data. However, the mean fell for Firefighters' schemes on both these measures (-8 and -7 percentage points respectively). For Police schemes the mean proportion of employers providing accurate and complete data increased since 2018 (+6 percentage points).

**Table 4.3.9 Provision of timely, accurate and complete data by employers – Time series**

		Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
All employers (100%) always provide timely data	<b>2019</b>	<b>40%</b>	<b>15%</b>	<b>18%</b>	<b>86%</b>	<b>5%</b>	<b>71%</b>
	2018	42%	16%	18%	80%	6%	82%
	2017	37%	23%	27%	57%	11%	72%
Mean % of employers that always provide timely data	<b>2019</b>	<b>88%</b>	<b>86%</b>	<b>87%</b>	<b>87%</b>	<b>85%</b>	<b>96%</b>
	2018	87%	85%	86%	95%	81%	92%
	2017	89%	87%	88%	94%	84%	96%
All employers (100%) always provide accurate and complete data	<b>2019</b>	<b>37%</b>	<b>13%</b>	<b>18%</b>	<b>80%</b>	<b>2%</b>	<b>69%</b>
	2018	39%	15%	18%	72%	4%	82%
	2017	30%	15%	18%	49%	7%	60%
Mean % of employers that always provide accurate and complete data	<b>2019</b>	<b>84%</b>	<b>82%</b>	<b>83%</b>	<b>82%</b>	<b>80%</b>	<b>96%</b>
	2018	84%	82%	84%	89%	79%	90%
	2017	86%	81%	80%	93%	80%	95%

As shown in Table 4.3.10, the proportions of employers that always provided timely, accurate and complete data were much lower for multi-employer schemes than single employer ones. Among multi-employer schemes, 6% said their employers always provided timely data and 3% said they always provided accurate and complete data (compared with 89% and 84% respectively for single employer schemes).

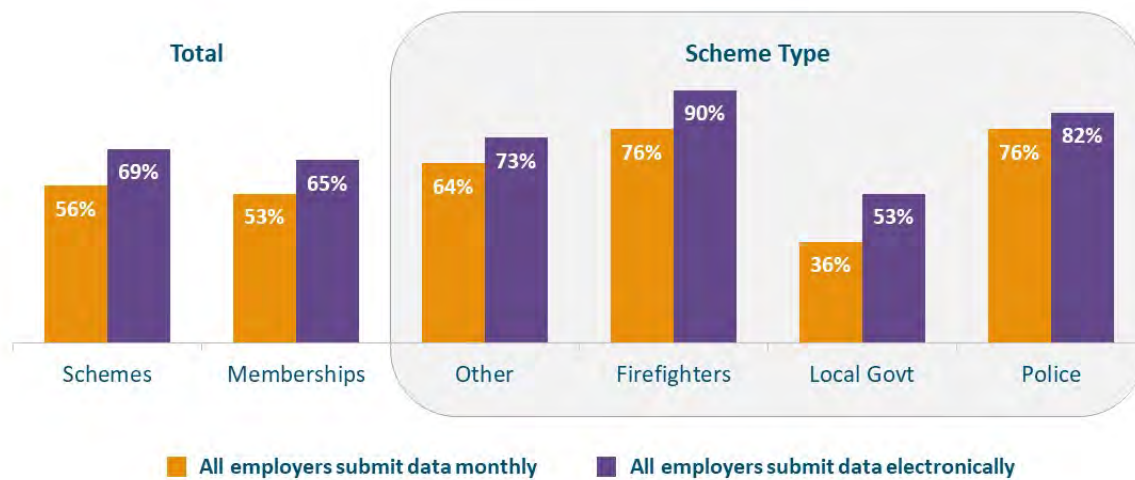
**Table 4.3.10 Provision of timely, accurate and complete data by employers – analysis by single and multi-employer schemes**

	Single employer schemes	Multi-employer schemes
<i>Base: All respondents</i>	83	119
All employers (100%) always provide timely data	89%	6%
All employers (100%) always provide accurate and complete data	84%	3%

Schemes were also asked the extent to which the employer(s) submitted data monthly and electronically. Single employer schemes were asked whether their participating employer submitted data monthly and electronically, and multi-employer schemes were asked to give the proportion of their employers that did this. The analysis in Figure 4.3.6 combines the results from both questions.

Over half (56%) of schemes reported that all their employers submitted data monthly and just over two-thirds (69%) reported that all their employers submitted data electronically. These proportions were lowest for Local Government schemes (36% and 53% respectively).

**Figure 4.3.6 Proportion of schemes where all employers submitted data monthly and electronically**



All respondents (Base, Don't know monthly, Did not answer monthly, Don't know electronically, Did not answer electronically) - Schemes (202, 4%, 2%, 3%, 2%), Memberships (202, 2%, 2%, 1%, 2%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 0%, 0%, 0%, 0%), Local Government (97, 4%, 4%, 1%, 4%), Police (45, 11%, 0%, 11%, 0%)

Table 4.3.11 shows that, on average, 80% of scheme employers submitted data monthly and 90% submitted data electronically. For monthly data, the mean was lower for Firefighters' (76%) and Local Government (78%) schemes.

**Table 4.3.11 Mean proportion of employers that submitted data monthly and electronically**

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Mean % of employers that submit data monthly	80%	89%	96%	76%	78%	87%
Mean % of employers that submit data electronically	90%	90%	93%	90%	86%	100%

There was no change since 2018 in the overall proportions of schemes reporting that all employers submitted data monthly and submitted data electronically, or in the mean proportions of employers doing so.

However, there were some changes for different types of scheme. The proportions of Firefighters' schemes reporting that all their employers submitted data monthly and submitted it electronically increased since 2018 (+15 and +14 percentage points respectively). The latter also increased for 'Other' schemes (+18 percentage points). In contrast, Police schemes were less likely to report that all employers provided data monthly and submitted it electronically (-13 and -9 percentage points respectively).

**Table 4.3.12 Submission of data monthly and electronically by employers – Time series**

		Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
All employers (100%) submitted data monthly	2019	56%	53%	64%	76%	36%	76%
	2018	56%	55%	64%	61%	38%	89%
Mean % of employers that submitted data monthly	2019	80%	89%	96%	76%	78%	87%
	2018	77%	81%	86%	70%	72%	93%
All employers (100%) submitted data electronically	2019	69%	65%	73%	90%	53%	82%
	2018	66%	54%	55%	76%	51%	91%
Mean % of employers that submitted data electronically	2019	90%	90%	93%	90%	86%	100%
	2018	88%	91%	95%	88%	83%	99%

As with timeliness of data and its accuracy and completeness, these proportions were lower for multi-employer schemes than single employer schemes. Overall, 80% single employer schemes said all their employers submitted data monthly compared with 39% of multi-employer schemes. Similarly, 92% of single employer schemes said all their employers submitted data electronically compared with 54% of multi-employer schemes.

**Table 4.3.13 Submission of data monthly and electronically by employers – analysis by single and multi-employer schemes**

	Single employer schemes	Multi-employer schemes
<i>Base: All respondents</i>	83	119
All employers (100%) submit data monthly	80%	39%
All employers (100%) submit data electronically	92%	54%

## 4.4 Cyber security

Schemes were asked about 14 specific cyber controls and four-fifths (82%) had at least half of them in place, up from three-quarters (74%) in 2018.

No schemes stated that they had none of these cyber controls in place, although 5% either answered “don’t know” or did not provide a response.

**Table 4.4.1 Proportion of schemes with controls to protect their data and assets from ‘cyber risk’ – Time series**

	Total schemes	
	2019	2018
<i>Base: All respondents</i>	<b>202</b>	<b>195</b>
System controls (e.g. firewalls, anti-virus/malware, software updates)	<b>90%</b>	82%
Controls restricting access to systems and data	<b>89%</b>	83%
Critical systems and data regularly backed up	<b>88%</b>	80%
Policies on data access, protection, use and transmission in line with data protection legislation and guidance	<b>87%</b>	81%
Policies on the acceptable use of devices, passwords/other authentication and on home/mobile working	<b>87%</b>	80%
Cyber risk is on the risk register and regularly reviewed	<b>84%</b>	67%
Scheme manager assured themselves of 3rd party providers’ controls	<b>71%</b>	66%
Incident response plan to deal with any incidents which occur	<b>71%</b>	67%
Access to specialist skills and expertise to understand and manage risk	<b>68%</b>	66%
Roles and responsibilities on cyber resilience clearly defined and documented	<b>65%</b>	62%
Assessment of vulnerability to a cyber incident of key functions, systems, assets and parties involved in running the scheme	<b>63%</b>	57%
Assessment of likelihood of different types of breaches occurring	<b>53%</b>	49%
Scheme manager receives regular updates on cyber risks, incidents and controls	<b>52%</b>	39%
Pension board receives regular updates on cyber risks, incidents and controls	<b>49%</b>	26%
None of these	<b>0%</b>	0%
<b>Net: At least half of these cyber controls in place (7+)</b>	<b>82%</b>	<b>74%</b>
<b>Mean number of cyber controls in place</b>	<b>10</b>	<b>9</b>
Don’t know	4%	6%
Did not answer question	1%	1%

The most common types of cyber protection were system controls such as firewalls, anti-virus products and regular software updates (90%), controls restricting access to systems and data (89%), regular back-ups of critical systems and data (88%), policies on data access, protection, use and transmission in line with data protection legislation and guidance (87%), policies on acceptable use of devices, passwords, other authentication and

home and mobile working (87%), and cyber risk being included on the scheme's risk register and regularly reviewed (84%).

In comparison, around half of schemes indicated that the scheme manager or pension board received regular updates on cyber risks, incidents and controls (52% and 49% respectively) or assessed the likelihood of different types of breaches occurring (53%).

For 11 of the 14 cyber controls, the proportion of schemes with these in place was higher than in 2018<sup>9</sup>. The greatest increases were seen for the pension board receiving regular updates (+23 percentage points), cyber risk being included on the risk register and regularly reviewed (+17 percentage points) and the scheme manager receiving regular updates (+13 percentage points).

Table 4.4.2 shows 42% of schemes had experienced some kind of cyber breach or attack in the previous 12 months (down from 49% in 2018).

**Table 4.4.2 Proportion of schemes experiencing any cyber security breaches or attacks in last 12 months (including at their administration provider) – Time series**

	Total schemes	
	2019	2018
<i>Base: All respondents</i>	<b>202</b>	<b>195</b>
Staff receiving fraudulent emails or being directed to fraudulent websites	<b>33%</b>	42%
Attacks that try to take down website or online services	<b>10%</b>	10%
People impersonating scheme in emails or online	<b>8%</b>	9%
Unauthorised use or hacking of computers, networks or servers by people outside scheme	<b>3%</b>	0%
Unauthorised use of computers, networks or servers by staff, even if accidental	<b>1%</b>	1%
Computers becoming infected with other viruses, spyware or malware	<b>1%</b>	5%
Computers becoming infected with ransomware	<b>0%</b>	2%
Hacking or attempted hacking of online bank accounts	<b>0%</b>	1%
Any other types of cyber security breaches or attacks	<b>4%</b>	2%
None of these	<b>49%</b>	41%
<b>Net: Any cyber incidents reported in last 12 months</b>	<b>42%</b>	<b>49%</b>
Don't know	<b>8%</b>	9%
Did not answer question	<b>1%</b>	1%

<sup>9</sup> The increases shown in Table 4.4.1 were statistically significant for all controls except 'Access to specialist skills and expertise to understand and manage risk', 'Roles and responsibilities on cyber resilience clearly defined and documented' and 'Assessment of likelihood of different types of breaches occurring'.

As was the case in 2018, these incidents typically involved staff receiving fraudulent emails or being directed to fraudulent websites (33%).

Those schemes that had experienced any cyber breaches or attacks in the previous 12 months were asked what, if anything, had happened as a result. Most (81%) said that there had been no impact but 15% reported a negative impact. This equates to 6% of all public service schemes (ie including those that did not experience any cyber incidents or breaches), similar to the 7% seen in the 2018 survey.

The negative impacts reported tended to be either the loss of access to any third-party services relied on (10%) or the scheme's website or online services being taken down or made slower (5%).

**Table 4.4.3 Impact of cyber security breaches or attacks experienced in last 12 months**

	Total schemes	
	2019	2018
<i>Base: All experiencing cyber security breaches or attacks</i>	<b>84</b>	95
Lost access to any third-party services relied on	<b>10%</b>	1%
Website or online services taken down or made slower	<b>5%</b>	9%
Temporary loss of access to files or networks	<b>2%</b>	7%
Personal data altered, destroyed or taken	<b>1%</b>	1%
Money stolen	<b>1%</b>	0%
Software or systems corrupted or damaged	<b>0%</b>	0%
Permanent loss of files (other than personal data)	<b>0%</b>	0%
Lost or stolen assets, trade secrets or intellectual property	<b>0%</b>	0%
None of these	<b>81%</b>	85%
<b>Net: Any impact reported in last 12 months</b>	<b>15%</b>	14%
Don't know	<b>1%</b>	0%
Did not answer question	<b>2%</b>	1%

Table 4.4.4 provides a summary based on memberships, showing the proportion of all members in a scheme with at least half of the cyber risk controls in place, in a scheme experiencing any cyber breaches or attacks in the previous 12 months, and in a scheme reporting a negative impact of any such incidents.



**Table 4.4.4 Summary of cyber controls and breaches/attacks by memberships – Time series**

	Total memberships	
Proportion with at least half of the cyber risk controls in place (ie 7 or more) <i>(All schemes)</i>	2019	92%
	2018	92%
Proportion experiencing any cyber breaches/attacks in last 12 months <i>(All schemes)</i>	2019	40%
	2018	42%
Proportion reporting any impact of cyber breaches/attacks in last 12 months <i>(All experiencing breaches/attacks)</i>	2019	21%
	2018	5%

Overall, 92% of memberships were in a scheme that had at least half of the cyber controls in place, unchanged from 2018. There was also no change in the proportion of memberships in a scheme that had experienced any cyber breaches or attacks in the previous 12 months (40%, compared with 42% in 2018).

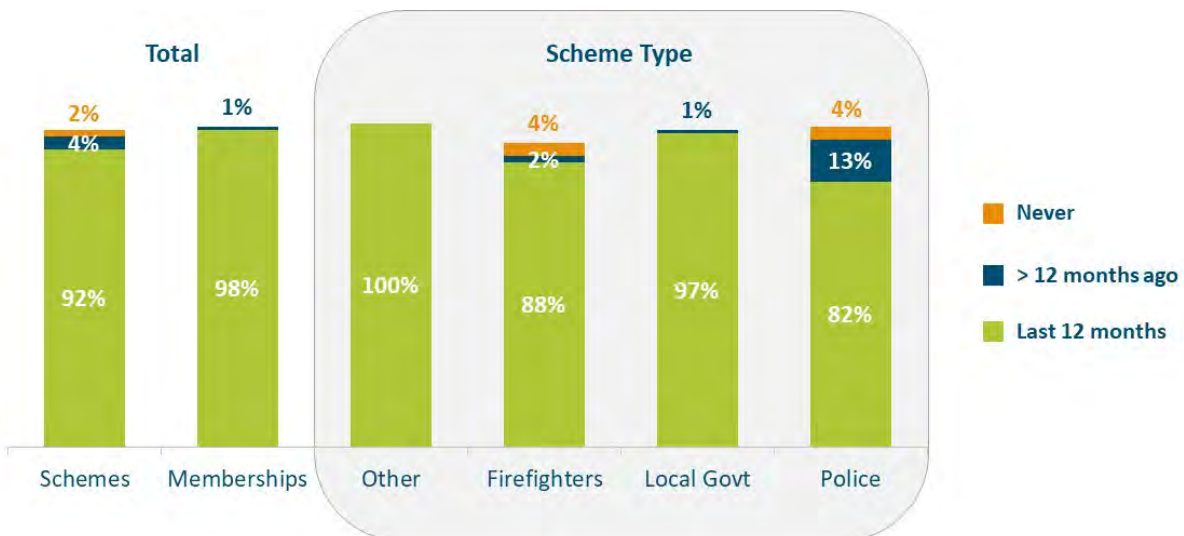
However, there was an increase in the proportion of memberships in a scheme which reported a negative impact of any cyber incidents (21% of those in a scheme that had experienced breaches or attacks, compared with 5% in 2018). As detailed in Table 4.4.3, the negative impacts typically involved the loss of access to third-party services relied on or the scheme's website or online services being taken down or made slower.

#### 4.5 Data reviews

Most schemes (92%) had completed a data review within the previous 12 months, a further 4% had done so more than 12 months previously and 2% reported that they had never completed a data review.

'Other' and Local Government schemes were most likely to have completed a data review in the previous 12 months (100% and 97% respectively), but this fell to 88% of Firefighters' and 82% of Police schemes.

Figure 4.5.1 Timing of last completed data review



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 1%, 1%), Memberships (202, 0%, 1%), Other (11, 0%, 0%), Firefighters (49, 6%, 0%), Local Government (97, 0%, 2%), Police (45, 0%, 0%)

The proportion of schemes that had completed a data review in the previous 12 months was higher than in 2018. This increase was evident for all scheme types.

**Table 4.5.1 Proportion of schemes that completed a data review in last 12 months – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	92%	100%	88%	97%	82%
PSPS Survey 2018	83%	82%	78%	93%	68%
PSPS Survey 2017	75%	100%	71%	74%	74%
PSPS Survey 2016	79%	100%	68%	83%	77%
PSPS Survey 2015	70%	58%	50%	77%	77%

Schemes were asked whether their most recently completed data review exercise had identified any issues or problems with various data items. As set out in Table 4.5.2, the most common issues related to postcode (64%), first line of address (63%) and NI number (56%).

The proportions reporting problems with the other data items were lower (ranging from 32% for membership start date down to 13% for anticipated income at retirement). However, it is not possible to ascertain whether this is because schemes did not find issues in these areas or because they did not include them in their data review. To illustrate, 26% of schemes did not answer or said "Don't know" when asked if they had identified issues with anticipated income at retirement, which might suggest they did not cover this in their most recent review.

Almost a quarter (23%) of schemes reported that they had found no issues at all in their most recently completed data review.

**Table 4.5.2 Proportion of schemes identifying issues or problems in most recently completed data review**

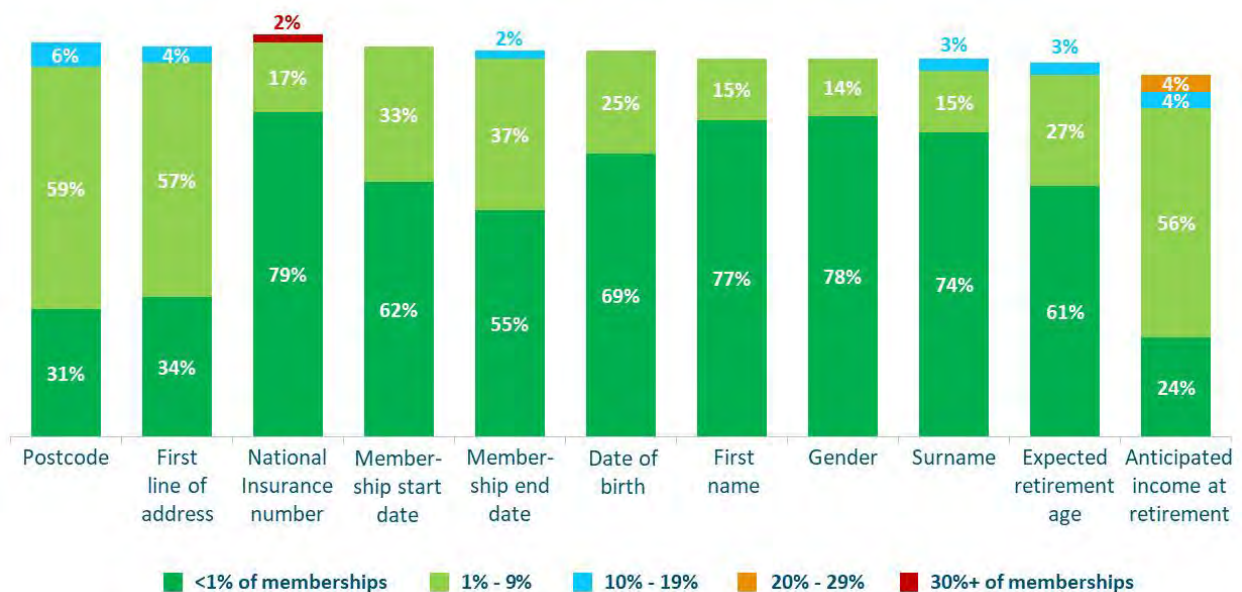
	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All ever completing a data review</i>	193	11	44	95	43
Postcode	64%	45%	61%	79%	37%
First line of address	63%	45%	55%	78%	42%
NI number	56%	55%	48%	68%	40%
Membership start date	32%	64%	30%	36%	16%
Membership end date	26%	55%	14%	34%	16%
Date of birth	25%	27%	7%	31%	30%
First name	20%	27%	9%	22%	26%
Gender	19%	18%	9%	24%	16%
Surname	18%	18%	9%	18%	26%
Expected retirement age	17%	36%	5%	22%	14%
Anticipated income at retirement	13%	27%	7%	19%	2%
Other data items	37%	36%	39%	51%	7%
No issues identified	23%	18%	20%	14%	49%

Postcode, first line of address and NI number were the three most widely identified data issues for Firefighters', Local Government and Police schemes. For 'Other' schemes it was membership start date, membership end date and NI number.

Almost half (49%) of Police schemes did not identify any issues or problems in their most recent data review.

For each data issue identified, schemes were asked the proportion of memberships that were affected. As shown in Figure 4.5.2, in most cases these issues applied to less than 1% of the scheme's memberships. However, where schemes identified problems with postcode, first line of address and anticipated income at retirement these typically affected 1-9% of memberships.

**Figure 4.5.2 Proportion of memberships affected by data issues identified in latest review**



All identifying issues with each item (Base, Don't know, Did not answer question) - Postcode (123, 2%, 2%), First line of address (121, 2%, 2%), NI number (109, 1%, 2%), Membership start date (61, 3%, 2%), Membership end date (51, 4%, 2%), Date of birth (48, 2%, 4%), First name (39, 3%, 5%), Gender (36, 3%, 6%), Surname (34, 3%, 6%), Expected retirement date (33, 3%, 6%), Anticipated income at retirement (25, 8%, 4%)

This question was only asked to those schemes that had identified issues with each data item, which limits the scope for robust comparisons across different types of scheme. However, the following highlights all cases where over 10% of a scheme's memberships were affected by issues with a data item.

Other:

- No schemes reported that any of the data issues affected 10%+ memberships

Firefighters:

- 5% said issues with NI number affected 10%+ memberships

Local Government:

- 11% said issues with anticipated income at retirement affected 10%+ memberships
- 9% said issues with postcode affected 10%+ memberships
- 7% said issues with first line of address affected 10%+ memberships
- 5% said issues with expected retirement date affected 10%+ memberships
- 3% said issues with membership end date affected 10%+ memberships

Police

- 9% said issues with surname affected 10%+ memberships
- 6% said issues with NI number affected 10%+ memberships

As shown in Table 4.5.3, a minority of schemes (4%) had put a data improvement plan in place and completed the rectification work. Most of the remainder reported that work was underway or planned, although 2% had not developed an improvement plan or undertaken any work (and a further 23% had not identified any data issues).

**Table 4.5.3 Action taken to address issues or problems with data**

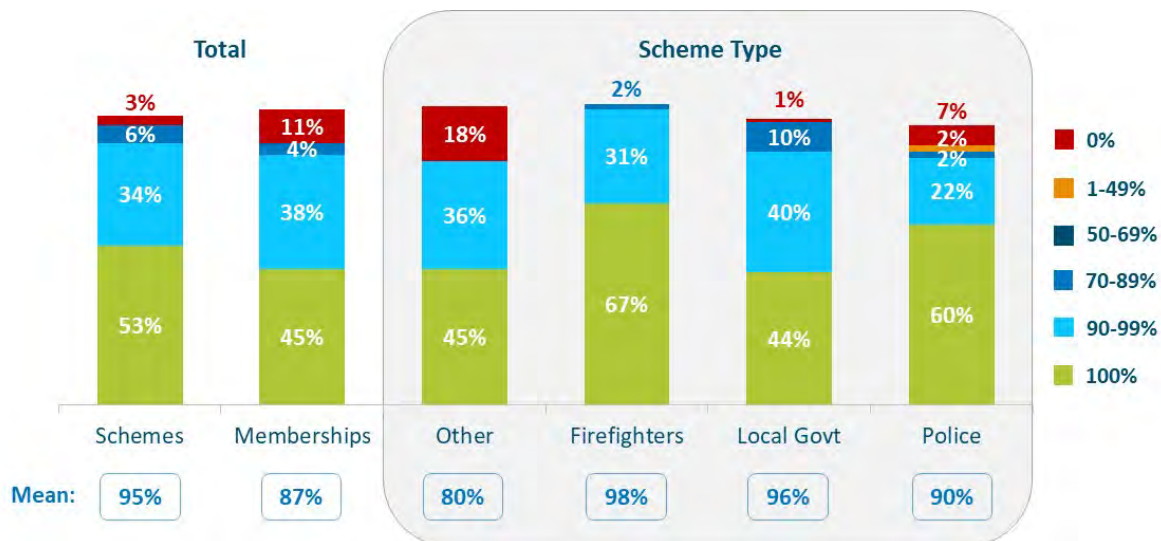
	Total			Scheme Type		
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All ever reviewing data</i>	193	193	11	44	95	43
<b>Identified issues with data</b>	<b>77%</b>	<b>83%</b>	<b>82%</b>	<b>80%</b>	<b>86%</b>	<b>51%</b>
An improvement plan has been put in place and rectification work has been <b>completed</b>	4%	2%	0%	5%	5%	2%
An improvement plan is in place, but rectification work is <b>not yet complete</b>	48%	60%	64%	50%	56%	26%
An improvement plan is <b>in development</b>	15%	17%	18%	14%	17%	9%
Rectification work has been <b>undertaken without an improvement plan</b>	6%	3%	0%	9%	6%	2%
<b>No improvement plan</b> has been developed and no work has been undertaken	2%	0%	0%	2%	1%	2%
<b>Did not identify issues with data</b>	<b>23%</b>	<b>17%</b>	<b>18%</b>	<b>20%</b>	<b>14%</b>	<b>49%</b>
Don't know action taken	2%	0%	0%	0%	0%	9%
Did not answer action taken	1%	0%	0%	0%	1%	0%

## 4.6 Annual benefit statements

On average, 95% of each scheme's active members received their annual benefit statement (ABS) by the statutory deadline in 2019. When the data is weighted to reflect the number of memberships in each scheme, this shows that 87% of all active members received their ABS by the deadline.

Just over half (53%) of schemes reported that they had met this deadline for all their active members.

**Figure 4.6.1 Proportion of active members receiving ABS by statutory deadline in 2019**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 1%), Memberships (202, 1%, 1%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 1%, 3%), Police (45, 7%, 0%)

The mean proportion of active members that received their ABS by the deadline was highest for Firefighters' (98%) and Local Government (96%) schemes.

Firefighters' were also most likely to have met the ABS deadline for all their active members in 2019 (67%), followed by Police schemes (60%). This proportion was lower for 'Other' (45%) and Local Government (44%) schemes, both of which are primarily multi-employer schemes and typically have a greater number of memberships.

As shown in Table 4.6.1, there was no change since 2018 in the overall mean percentage of active members who received their ABS by the deadline (95% in both cases). However, this fell for 'Other' and Police schemes (-16 and -5 percentage points respectively) but increased for Local Government schemes (+3 percentage points).

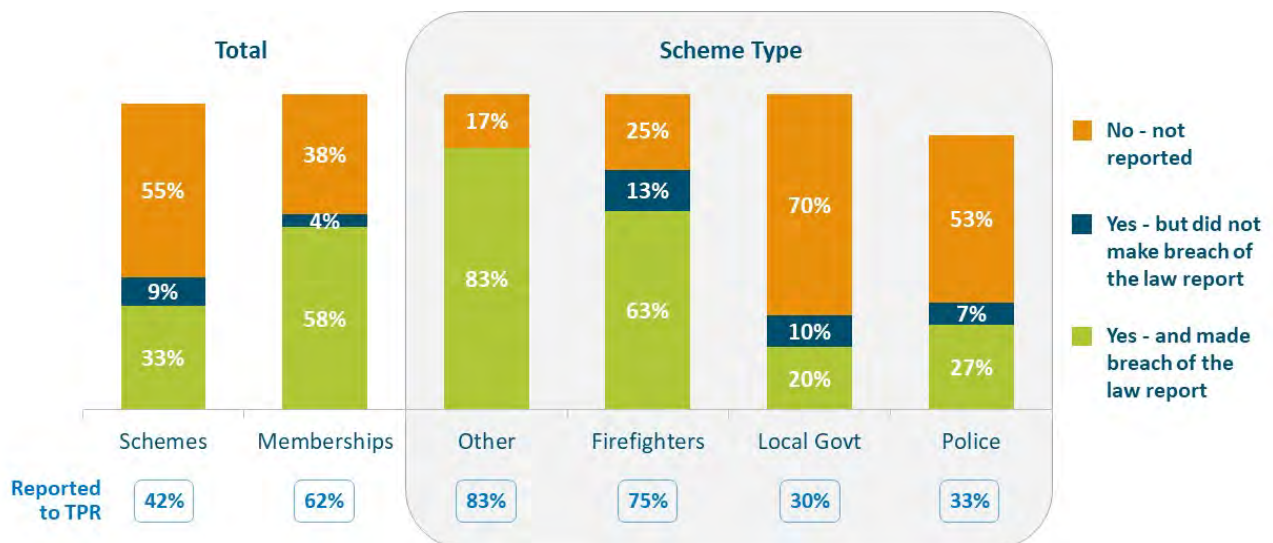
There was also a decrease in the proportion of schemes reporting that they met the ABS deadline for all their active members, from 66% in 2018 to 53% in 2019. This pattern was evident for all types of scheme.



**Table 4.6.1 Proportion of active members receiving annual benefit statement by statutory deadline – Time series**

		Total schemes	Scheme Type			
			Other	Firefighters	Local Govt	Police
Mean	2019	95%	80%	98%	96%	90%
	2018	95%	96%	97%	93%	95%
	2017	93%	91%	93%	92%	97%
	2016	75%	75%	46%	87%	82%
100% received by deadline	2019	53%	45%	67%	44%	60%
	2018	66%	55%	78%	56%	75%
	2017	60%	45%	73%	45%	79%
	2016	43%	36%	32%	45%	54%

The schemes that missed the ABS deadline for any of their active members were asked whether they reported this to TPR. Just over two-fifths (42%) had done so, with most of these making a breach of the law report (33%).

**Figure 4.6.2 Proportion of schemes reporting to TPR that they missed the deadline for issuing active member statements**

All where deadline was missed for any active members (Base, Don't know, Did not answer question) - Schemes (87, 2%, 0%), Memberships (87, 0%, 0%), Other (6, 0%, 0%), Firefighters (16, 0%, 0%), Local Government (50, 0%, 0%), Police (15, 13%, 0%) – **Caution: Low base sizes for individual scheme types**

Most 'Other' (83%) and Firefighters' (75%) schemes reported the missed deadline, and every 'Other' scheme made a breach of the law report. However, the majority of Local Government (70%) and Police (53%) schemes that missed the deadline did not report it to TPR.

As detailed in Table 4.6.2, Firefighters’ schemes who missed the ABS deadline were notably more likely to report this to TPR than in 2018 (75%, compared with 11% in 2018). However, it should be noted that the 2018 figure was based on just 9 Firefighters’ schemes that missed the deadline for any of their active members.

**Table 4.6.2 Proportion of schemes reporting to TPR that they missed the deadline for issuing active member statements – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	42%	83%	75%	30%	33%
PSPS Survey 2018	34%	80%	11%	33%	40%
PSPS Survey 2017	41%	67%	67%	29%	57%

The majority (71%) of the schemes that did not report the missed ABS deadline to TPR indicated that this was because it was not considered material as few statements were affected. A further 13% stated that it was not material as there was a very short delay.

As detailed in Figure 4.6.3, 92% of schemes reported that all the annual benefit statements they sent out to members in 2019 contained all the data required by regulations. The mean was 100%<sup>10</sup>.

**Figure 4.6.3 Proportion of annual benefit statements sent out in 2019 that contained all data required by regulations**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 1%), Memberships (202, 1%, 1%), Other (11, 0%, 0%), Firefighters (49, 2%, 0%), Local Government (97, 1%, 3%), Police (45, 7%, 0%)

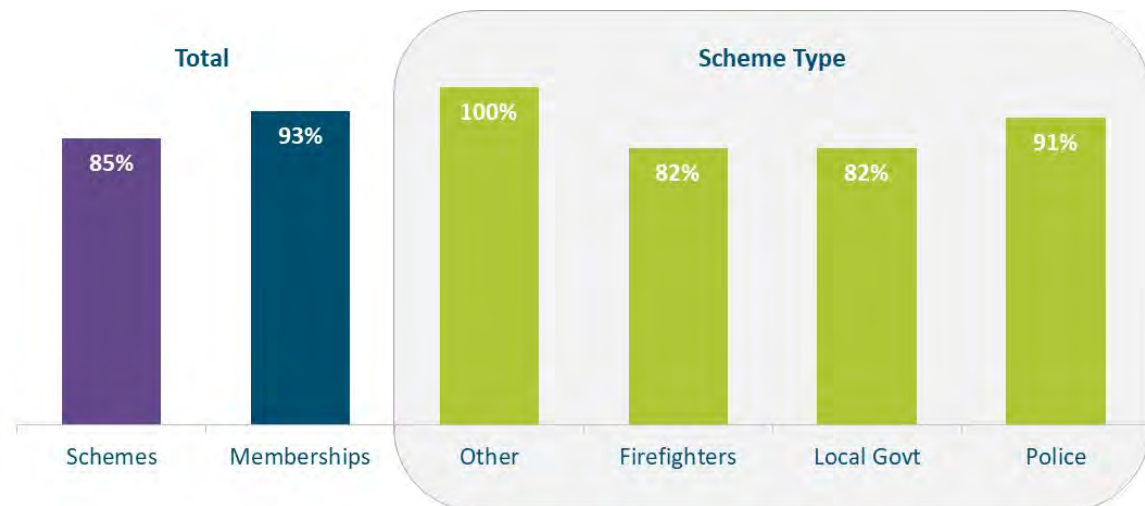
<sup>10</sup> 99.8% when shown to 1 decimal place.



## 4.7 Resolving issues

The majority (85%) of schemes had a working definition of what constitutes a complaint.

**Figure 4.7.1 Proportion of schemes with working definition of a complaint**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 4%, 1%), Memberships (202, 1%, 1%), Other (11, 0%, 0%), Firefighters (49, 2%, 0%), Local Government (97, 3%, 2%), Police (45, 9%, 0%)

Every 'Other' scheme and 91% of Police schemes had a definition, but this was less widespread among Firefighters' and Local Government schemes (both 82%).

There was no change since 2018 in the overall proportion of schemes that had a working definition of a complaint, although there was an increase among 'Other' schemes (+9 percentage points).

**Table 4.7.1 Proportion of schemes with working definition of a complaint – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	85%	100%	82%	82%	91%
PSPS Survey 2018	86%	91%	83%	85%	91%

Schemes were asked to provide details of the number of complaints they had received in the previous 12 months. This data has been used to estimate the total number of complaints received by public service schemes and show the number of complaints per 1,000 members, as set out in Table 4.7.2.

**Table 4.7.2 Estimated total complaints received in last 12 months**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Total memberships	16,636,723	9,528,824	119,356	6,614,407	374,136
Mean number of complaints	58	850	2	24	3
Total complaints (grossed up)	11,925	9,354	77	2,343	151
Share of all memberships	100%	57%	1%	40%	2%
Share of all complaints	100%	78%	1%	20%	1%
<b>Complaints per 1,000 members</b>	<b>0.7</b>	<b>1.0</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>

Overall, an estimated 11,925 complaints were made to public service schemes in the previous 12 months, equating to 0.7 complaints per 1,000 members. This was the same ratio as seen in the 2018 survey.

‘Other’ schemes were proportionally most likely to generate complaints. They accounted for 57% of all public service pension scheme memberships but 78% of all complaints and received 1.0 complaints per 1,000 members. In comparison, Firefighters’ schemes received 0.6 complaints per 1,000 members, and Local Government and Police schemes both received 0.4.

Schemes were also asked to provide details of the number of complaints entering and upheld by their Internal Dispute Resolution (IDR) process in the previous 12 months. On average, 54% of all complaints entered the IDR process and 28% of these were subsequently upheld. This means that 15% of all complaints entered the IDR process and were upheld.

**Table 4.7.3 Proportion of complaints that entered the IDR process and proportion upheld**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Proportion of complaints that entered the IDR process (mean)	54%	51%	67%	44%	77%
Proportion of those complaints entering the IDR process that were upheld (mean)	28%	63%	30%	19%	42%
<b>Proportion of <u>all</u> complaints that entered the IDR process and were upheld (mean)</b>	<b>15%</b>	<b>32%</b>	<b>20%</b>	<b>8%</b>	<b>32%</b>

Complaints made to Police and Firefighters’ schemes were most likely to enter the IDR process (77% and 67% respectively). However, the proportion of complaints that were upheld by the IDR process was highest for ‘Other’ schemes (63%).

When the above data is combined, it shows that around a third (32%) of all complaints received by 'Other' and Police schemes entered the IDR process and were upheld, compared with 20% for Firefighters' and 8% for Local Government schemes.

As detailed below, the most common types of complaints that entered the IDR process related to eligibility for ill health benefit (54%), followed by disputes or queries about the amount of benefit paid (33%) and inaccuracies or disputes around pension value or definitions (27%).

**Table 4.7.4 Most common types of complaints entering IDR process**

Top Mentions (5%+)	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All with complaints entering the IDR process</i>	137	10	23	80	24
Eligibility for ill health benefit	54%	60%	39%	71%	8%
Disputes or queries about the amount of benefit paid	33%	40%	26%	33%	38%
Inaccuracies or disputes around pension value or definitions	27%	20%	39%	23%	33%
Pension overpayment and recovery	17%	60%	9%	14%	21%
Inaccurate data held and/or statement issued	17%	50%	9%	14%	21%
Delay or refusal of pension transfer	15%	0%	4%	21%	8%
Slow or ineffective communication	9%	10%	4%	13%	0%
Delays to benefit payments	8%	10%	0%	13%	0%
Death grants	5%	0%	4%	6%	4%
Don't know	7%	10%	13%	3%	17%
Did not answer question	1%	0%	4%	0%	0%

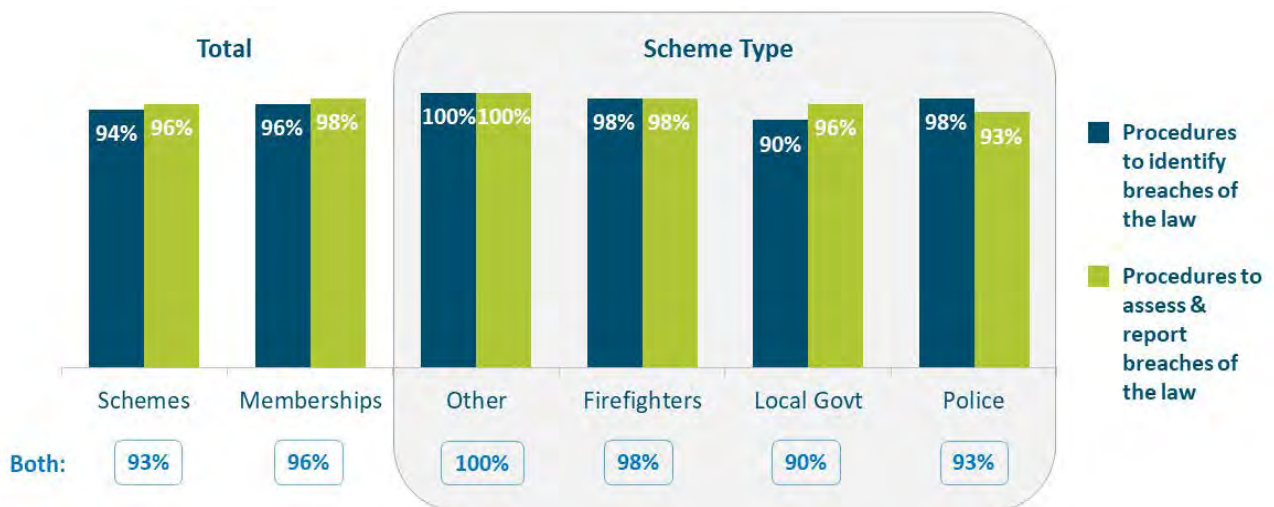
Eligibility for ill health benefit was the most common type of complaint that entered the IDR process for 'Other', Firefighters' and Local Government schemes (60%, 39% and 71% respectively). 'Other' schemes also identified pension overpayment and recovery as a common complaint (60%), and inaccuracies or disputes around pension value or definitions was a common complaint for Firefighters' schemes.

Police schemes were considerably less likely to put ill health benefit complaints into the IDR process (8%); their most common complaints instead related to disputes or queries about the amount of benefit paid (38%) and inaccuracies or disputes around pension value or definitions (33%).

## 4.8 Reporting breaches

The vast majority of schemes had procedures in place to identify breaches of the law (94%) and to assess these and report them to TPR if required (96%). All of the 'Other' schemes had both procedures in place, but Local Government schemes were least likely to have procedures to identify breaches of the law (90%) and Police schemes were least likely to have procedures to assess and report breaches (93%).

**Figure 4.8.1 Proportion of schemes with procedures to identify breaches of the law and to assess breaches of the law and report these to TPR if required**



All respondents (Base, Don't know if procedures to identify, Did not answer if procedures to identify, Don't know if procedures to assess and report, Did not answer if procedures to assess and report) - Schemes (202, 1%, 1%, 0%, 1%), Memberships (202, 1%, 1%, 0%, 1%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 0%, 0%, 0%, 0%), Local Government (97, 2%, 2%, 0%, 2%), Police (45, 2%, 0%, 2%, 0%)

The proportion of schemes with both procedures in place increased from 53% in 2015 to 93% in 2018 but did not change between 2018 and 2019.

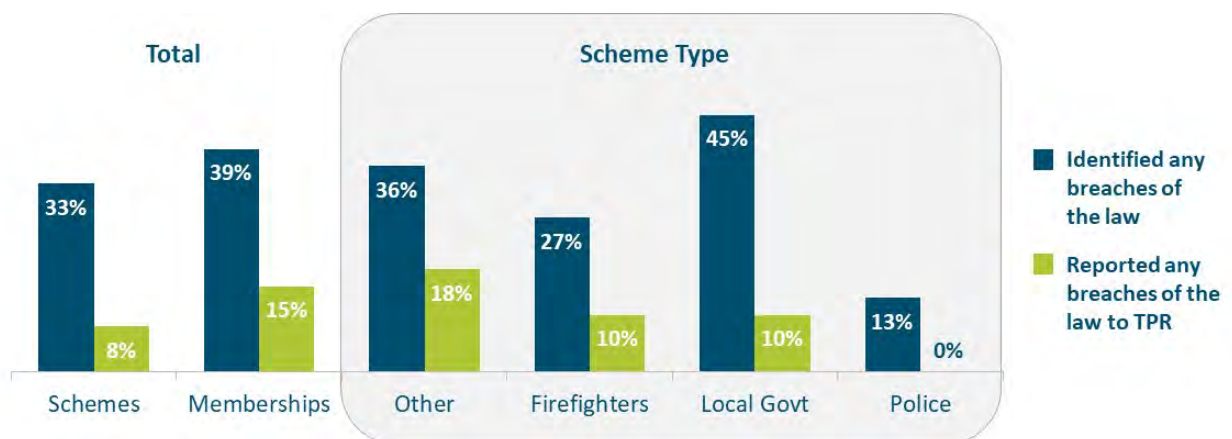
However, there were some changes since 2018 at a scheme type level. The proportion of Firefighters' schemes with both procedures in place increased (+9 percentage points) but there was a fall for Local Government schemes (-4 percentage points).

**Table 4.8.1 Proportion of schemes with procedures to both identify and assess and report breaches of the law – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	93%	100%	98%	90%	93%
PSPS Survey 2018	93%	100%	89%	94%	93%
PSPS Survey 2017	90%	100%	84%	95%	84%
PSPS Survey 2016	84%	100%	78%	91%	69%
PSPS Survey 2015	53%	67%	36%	51%	73%

In addition to asking whether schemes had procedures to identify, assess and report breaches of the law, the survey also captured data on the proportion that had done so in the previous 12 months. For these questions, schemes were asked to exclude any breaches relating to their annual benefit statements.

A third (33%) of schemes had identified non-annual benefit statement breaches of the law in the previous 12 months, and 8% had reported breaches to TPR in this period as they thought they were materially significant (ie around a quarter of those identifying breaches reported them to TPR).

**Figure 4.8.2 Proportion of schemes that identified breaches of the law and reported any breaches to TPR in last 12 months (excluding those relating to annual benefit statements)**

All respondents (Base, Don't know if identified, Did not answer if identified, Don't know if reported, Did not answer if reported) - Schemes (202, 1%, 1%, 0%, 1%), Memberships (202, 0%, 1%, 0%, 1%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 2%, 0%, 0%, 0%), Local Government (97, 0%, 2%, 0%, 2%), Police (45, 4%, 0%, 0%, 0%)

The proportion identifying breaches in the previous 12 months was highest for Local Government and 'Other' schemes (45% and 36% respectively). 'Other' schemes were also most likely to have reported breaches to TPR (18%) followed by Firefighters' and Local Government schemes (10% for both). Police schemes were the least likely to identify breaches (13%), and none of these were reported to TPR.

Larger schemes were more likely to have identified non-ABS breaches than smaller schemes; 53% of those with over 30,000 memberships had done so in the previous 12 months, compared with 29% of those with 5,001-30,000 memberships and 17% of those with 5,000 or fewer memberships. The proportion reporting breaches to TPR followed a broadly similar pattern with 12% of those with over 30,000 memberships reporting a breach, compared with 5% of those with 5,001-30,000 memberships and 7% of those with 5,000 or fewer memberships.

Where breaches of the law were identified, they were most commonly attributed to the scheme's employers. Approaching half (45%) of those identifying breaches stated that these were caused by late or non-payment of contributions by the employer(s), 42% cited failure of the employer(s) to provide timely, accurate or complete data and 21% mentioned other employer-related issues.

**Table 4.8.2 Causes of breaches identified (excluding those relating to annual benefit statements)**

	Total	
	Schemes	Memberships
<i>Base: All identifying breaches of the law (not related to ABS)</i>	67	67
Late or non-payment of contributions by the employer(s)	45%	56%
Failure of the employer(s) to provide timely, accurate or complete data	42%	51%
Systems or process failure	24%	14%
Other employer-related issues	21%	44%
Management of transactions (e.g. errors or delays in payments of benefits)	16%	22%
Failure to maintain records or rectify errors	13%	6%
Other	21%	10%
Don't know	0%	0%
Did not answer question	0%	0%

## 4.9 Addressing governance and administration issues

All schemes were asked to identify the top three barriers to improving their governance and administration over the next 12 months. The most widely mentioned was the complexity of their scheme (63%), followed by the volume of changes required to comply with legislation (49%), the McCloud judgement (42%), lack of resources or time (39%), and the recruitment, training and retention of staff and knowledge (36%).

**Table 4.9.1 Barriers to improving governance and administration over next 12 months**

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	11	49	97	45
Complexity of the scheme	63%	27%	84%	56%	64%
The volume of changes that are required to comply with legislation	49%	27%	55%	38%	69%
The McCloud judgement	42%	91%	51%	24%	60%
Lack of resources or time	39%	27%	35%	47%	27%
Recruitment, training and retention of staff and knowledge	36%	9%	31%	42%	33%
Employer compliance	21%	9%	0%	42%	0%
Issues with systems (IT, payroll, administration systems, etc.)	11%	18%	2%	16%	9%
Lack of knowledge, effectiveness or leadership among key personnel	3%	0%	6%	4%	0%
Poor communications between key personnel	3%	0%	2%	4%	2%
Other barriers	7%	36%	8%	5%	4%
There are no barriers	2%	9%	2%	1%	2%
Don't know	0%	0%	2%	0%	0%
Did not answer question	1%	0%	0%	2%	0%

Complexity of the scheme was the most commonly identified barrier for both Firefighters' (84%) and Local Government (56%) schemes, but for Police schemes it was the volume of changes that are required to comply with legislation (69%).



The vast majority of 'Other' schemes (91%) identified the McCloud judgement as one of their top barriers. This was also seen as a major barrier by Police (60%) and Firefighters' (51%) schemes, but fewer Local Government schemes (24%).

Schemes were also asked to what they would attribute any improvements made to their governance and administration in the last 12 months. A variety of improvement drivers were identified, but the major ones were better understanding of the risks facing the scheme (59%) and better understanding of the underlying legislation and standards expected by TPR (57%). A further 38% attributed improvements to resources being increased or redeployed to address risks.

**Table 4.9.2 Drivers of improvements to governance and administration in last 12 months**

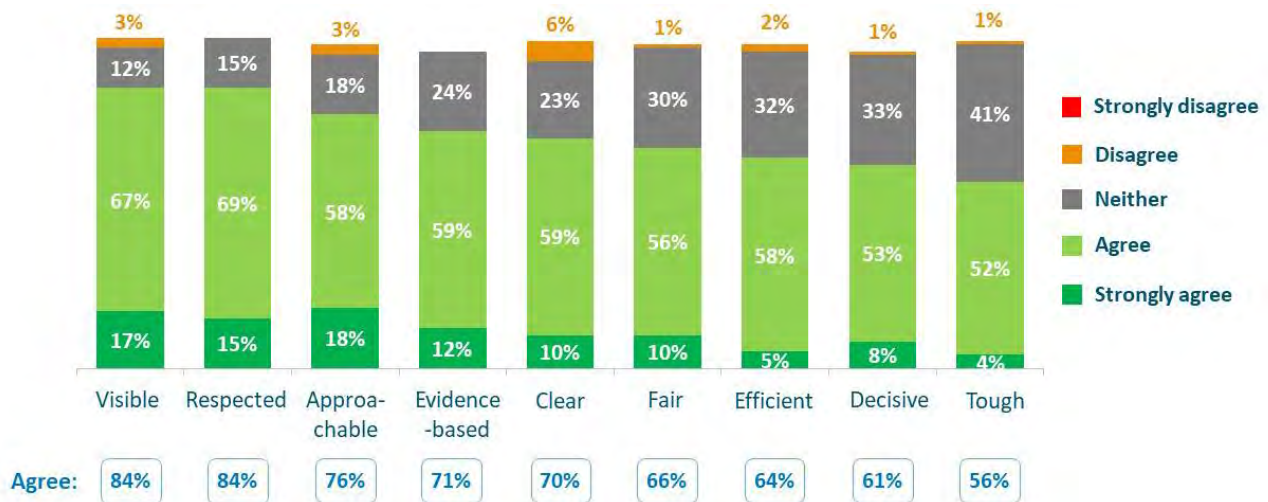
	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	11	49	97	45
Improved understanding of the risks facing the scheme	59%	64%	57%	52%	76%
Improved understanding of underlying legislation and standards expected by TPR	57%	36%	57%	53%	73%
Resources increased or redeployed to address risks	38%	45%	27%	49%	22%
Pension board action	33%	45%	37%	28%	36%
Administrator action	30%	18%	43%	34%	9%
Improved engagement by TPR	24%	36%	14%	26%	27%
Scheme manager action	17%	27%	24%	20%	2%
Other	5%	0%	10%	5%	2%
No improvements made in the last 12 months	2%	0%	6%	1%	2%
Don't know	2%	0%	4%	2%	2%
Did not answer question	1%	0%	0%	3%	0%



### 4.10 Perceptions of TPR

When asked for their perceptions of TPR, schemes were most likely to agree that it was visible and respected (both 84%) and least likely to agree that it is decisive and tough (61% and 56% respectively). Few schemes actively disagreed with each of the descriptors of TPR, with those that did not agree typically indicating that they neither agreed nor disagreed with each one.

Figure 4.10.1 Perceptions of TPR



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0-4%, 0%)

'Other' schemes typically had the most positive perception of TPR, with 100% agreeing that TPR was respected and approachable. Police schemes were more likely to see TPR as tough (71%) compared with the other three scheme types (52%-55%).

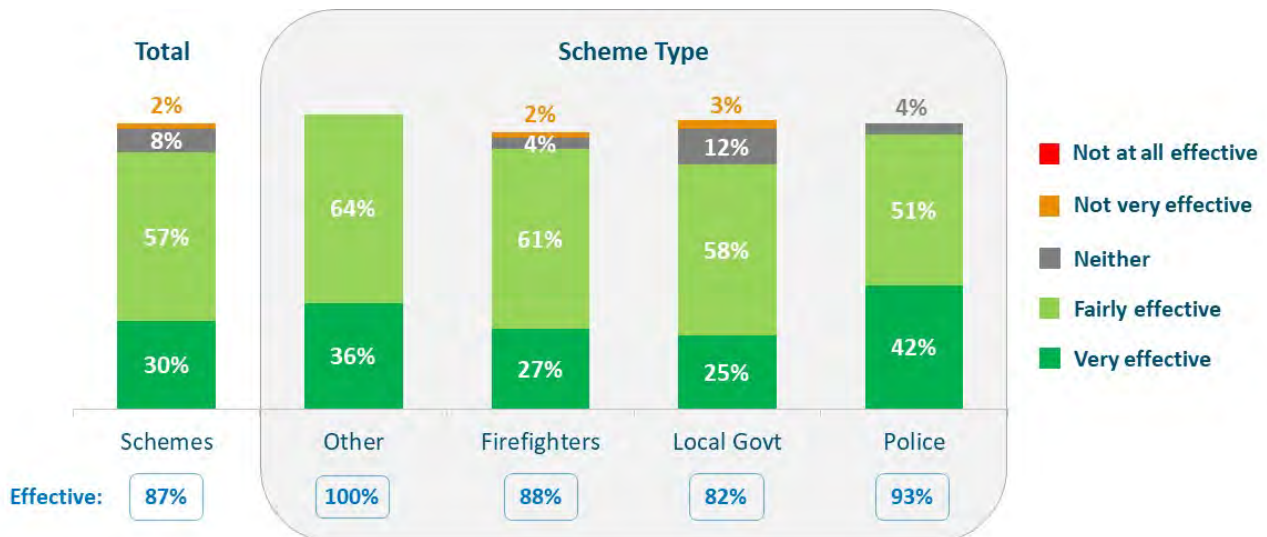
There were increases since 2018 in the proportion seeing TPR as decisive (+8 percentage points), respected (+6 percentage points) and evidence-based (+4 percentage points). However, there was a decrease in the proportion seeing TPR as visible (-5 percentage points).

Table 4.10.1 Proportion of schemes agreeing with descriptors of TPR – Time series

	Visible	Respected	Approachable	Evidence-based	Clear
PSPS Survey 2019	84%	84%	76%	71%	70%
PSPS Survey 2018	89%	78%	73%	67%	70%
PSPS Survey 2017	84%	84%	73%	60%	73%
	Fair	Efficient	Decisive	Tough	
PSPS Survey 2019	66%	64%	61%	56%	
PSPS Survey 2018	66%	60%	53%	55%	
PSPS Survey 2017	71%	64%	50%	47%	

Schemes were also asked how effective they believed TPR to be at improving standards of governance and administration in PSPS. Overall, 87% judged TPR to be effective, with 30% describing it as very effective.

**Figure 4.10.2 Perception of TPR’s effectiveness at improving standards of governance and administration in PSPS**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 0%), Other (11, 0%, 0%), Firefighters (49, 6%, 0%), Local Government (97, 1%, 1%), Police (45, 2%, 0%)

Every 'Other' scheme rated TPR as either very or fairly effective in this regard. Police schemes were the most likely to perceive TPR as very effective (42%).

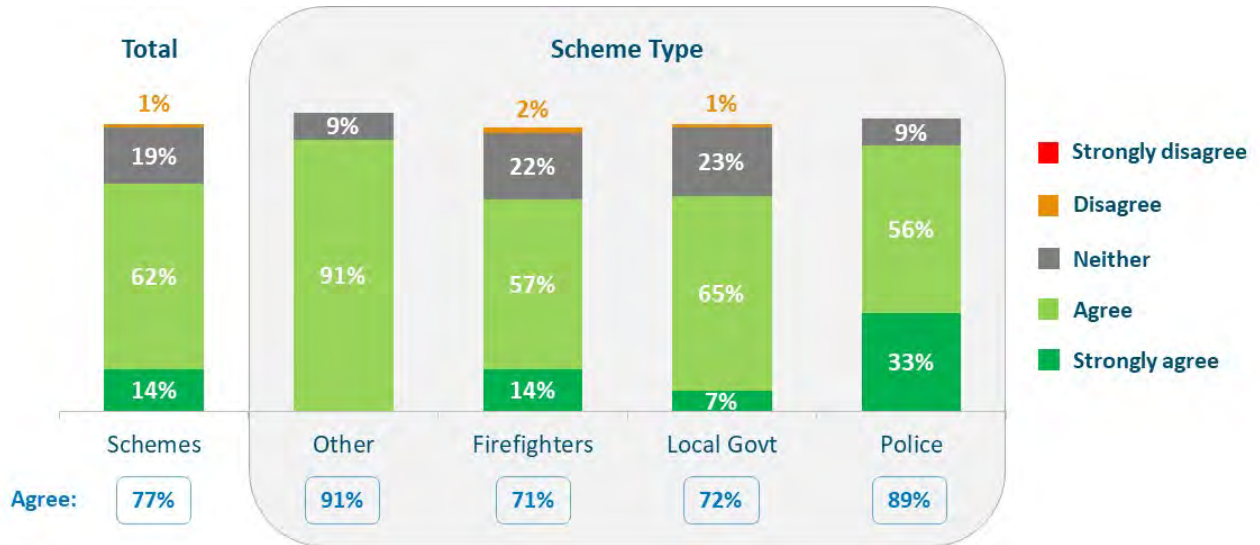
There was little change in perceptions since 2018, although the proportion of Local Government schemes describing TPR as effective fell (from 89% to 82%).

**Table 4.10.2 Proportion of schemes rating TPR as very or fairly effective – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	87%	100%	88%	82%	93%
PSPS Survey 2018	88%	100%	83%	89%	89%
PSPS Survey 2017	91%	100%	92%	90%	91%
PSPS Survey 2016	82%	82%	82%	85%	74%

Schemes were also asked the extent to which they agreed that TPR is effective at bringing about the right changes in behaviour among its regulated audiences. As shown in Figure 4.10.3, three-quarters of all schemes (77%) agreed with this statement, rising to around nine in ten 'Other' (91%) and Police (89%) schemes.

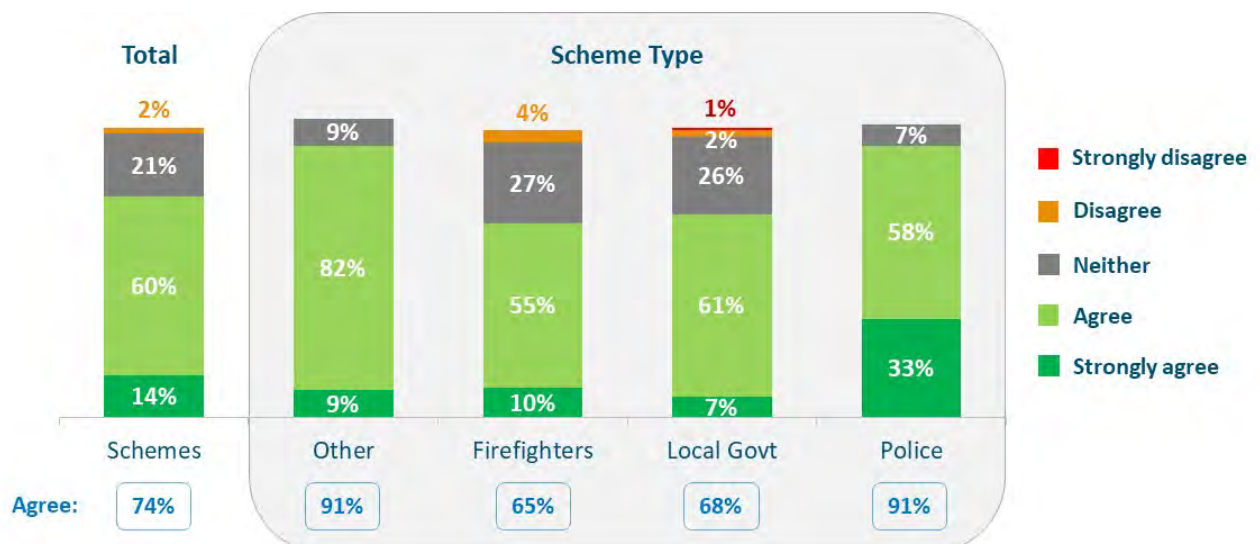
**Figure 4.10.3 Proportion agreeing that TPR is effective at bringing about the right changes in behaviour among its regulated audiences**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 3%, 0%), Other (11, 0%, 0%), Firefighters (49, 4%, 0%), Local Government (97, 3%, 1%), Police (45, 2%, 0%)

When asked the extent to which they agreed that TPR is proactive at reducing serious risks to member benefits, the results were similar. Three-quarters (74%) of schemes agreed with this, and again agreement levels were higher among 'Other' and Police schemes (both 91%) than Firefighters' and Local Government schemes (65% and 68% respectively).

**Figure 4.10.4 Proportion agreeing that TPR is proactive at reducing serious risks to member benefits**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 0%), Other (11, 0%, 0%), Firefighters (49, 4%, 0%), Local Government (97, 2%, 1%), Police (45, 2%, 0%)

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## **Surrey Local Firefighters' Pension Board January 2021**

### **Scheme Management Update Report.**

#### **Introduction:**

1.1 The Board has requested an update on Scheme management activities.

#### **2.0 Background**

2.1 In July 2020 changes to the Delegations were approved at Council and Sally Wilson, Head of Data, Digital and Specialist Projects, was appointed to the role of Scheme Manager for the Surrey Firefighters Pension Scheme. The scheme manager is responsible for managing and administering this scheme and any statutory pension scheme that is connected with it.

2.2 The Scheme Manager is defined under rule 3 and 4 of the 2014 regulations as being the Fire and Rescue Authority as determined under section 1 of the Fire and Rescue Services Act 2004. The scheme regulations allow for the scheme manager to be delegated under rule 5 of the 2014 regulations , to such persons or employees of such person as may be authorised in that behalf by the scheme manager. However, it is important to note that the power to delegate does not absolve the Fire Authority of the responsibility of the pension scheme.

2.3 The Scheme Manager has set out a programme of work to improve pension services for its members. The workstreams are:

- Governance and Scrutiny Review
- Compliance with Fire Pension Scheme regulations and The Pension Regulators requirements
- System Integration
- Pension Administration
- Risk Management
- Pensionable allowances
- Retained firefighters access to the Modified Pension Scheme

## **3.0 Project Update**

### **3.1 Governance and Scrutiny**

3.2 As part of the Internal Audit Action Plan 2019/20 an audit was undertaken to review the governance arrangements and key controls in place and provide assurance over the management of the five different fire pension schemes managed by the Orbis Pension Administration Team for Surrey Fire and Rescue Service.

3.3 The audit highlighted that overall governance arrangements were not clearly defined and no named Scheme Manager for FPS was in place. The report went on to highlight that a lack of formal scrutiny may lead to non-compliance not being known or addressed in a timely manner. The report also reflected on the lack of Service Level Agreements in place which may lead to ineffective ways of working with no clear responsibility and accountability.

3.4 In addition to the changes to the Delegations agreed at Council in July 2020, a Pension Administration update Report is a standing agenda item on the Local Firefighters Pension Board (LFPB), which meets four times a year. Key Performance Indicators (KPIs) have been adopted, reflecting the indicators from the Local Government Pension Scheme (LGPS). Publications and guidance, including the LGA Monthly Bulletins are also a LFPB standing agenda item. Training sessions for the LFPB members, Scheme Manager and Pension Officers had been arranged earlier in the year, however COVID impacted on the delivery of the training sessions. Training sessions will now be concluded in 2021.

3.5 Work has been undertaken to review scrutiny arrangements within other Fire and Rescue Authorities and the Terms of Reference of Audit and Governance Committee have been reviewed. A report is being finalised and will be shared with the LFPB.

### **3.6 Compliance and System Integration**

3.7 A reconciliation of mandatory elements of the Fire Pension Scheme has been completed, alongside a compliance check on the IT Systems. A Compliance Toolkit is in development. The LGA has been contacted to ensure best practice approach is applied to the Toolkit and the current IT system integration is progressing. FireWatch, the Fire and Rescue Service workforce reporting system, is part of the integration scope for the replacement of SAP.

### **3.8 Pension Administration**

3.9 The current Pension Administration arrangements are being reviewed. Surrey Fire and Rescue Service has gone out to tender for Pension Administration Services. By the time the LFPB meet in January this work will have concluded and the successful bid will be shared with the Board. In the meantime, work is underway with the Pension Administration Service to ensure backlog and case work can be completed and two new agents have been assigned to assist with this work.

### 3.10 Risk Management

3.11 The Local Firefighters Pension Scheme (LFPS) Risk Register has been reviewed and is a standing agenda item on the LFPB – item 9.

### 3.12 Pensionable Allowances

3.13 The 10% allowances for variable crewing hours duty system and the day related flexible duty system had been considered in the contract of employment with SFRS as non-pensionable when the payments were introduced. The variable crewing hours allowance was introduced in 2004 and day related flexible hours allowance in 2008. At this time the general view was that additional allowances were not pensionable.

3.13 The legal landscape was changed by the Norman v Cheshire case and was followed in Booth v Mid and West Wales. If the same reasoning is applied to the additional allowances, the legal advice is that both are pensionable.

3.14 A letter was sent out on 28 October 2020 to active members currently in receipt of the 10% allowances informing them that pension contributions will commence and be reflected in the November payslip. Supporting FAQs are in place and a dedicated mailbox has been created.

3.15 In addition to the initial letter to active members a holding letter was sent to non-current members on 6 November 2020. Letters to the Fire and Rescue Authorities (FRAs) for members who have transferred out are being drafted and work with Pension Administration, Finance and Legal on recovery of underpayments is underway.

### 3.16 Retained Firefighters Access to the Modified Scheme

3.17 There were 201 cases identified and written to as being eligible to join the Modified Scheme. 98 Forms (48.76%) were returned with 96 registering an interest and 2 declining the option to join. There have been a few subsequent enquires from interested individuals as to the progress of the exercise. The Service is awaiting external guidance/authorisation in how to proceed and is monitoring the possibility of a second Options Exercise. There has been one retiree and pending a resolution to the project, as an interim arrangement the pension payments are being topped on the standard 2006 Scheme pension to a level equivalent to the amount they would have received as a Modified member.

## 4.0 Summary

4.1 The Board is asked to note the update provided and to advise if any further reporting will assist the Board in monitoring of the LFPS.

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Report contact: Sally Wilson  
Contact details: [sally.wilson@surreycc.gov.uk](mailto:sally.wilson@surreycc.gov.uk)





Risk Ref.	Risk Description	Risk Owner	Inherent Risk					Control actions	Action by whom	Residual risk					Reviewed on		
			Impact				Likely			Total risk score	Impact					Likely	Total risk score
			Fin	Service	Rep'n	Total					Fin	Service	Rep'n	Total			
F1	Incorrect data due to employer error, user error or historic error leads to service disruption e.g. incorrect annual benefits statements being processes. Data not secure or appropriately maintained.	SW	2	4	5	11	2	22	TREAT 1) Implementation and monitoring of a Data Improvement Plan by the pension administration team. 2) The Board will be made aware of the 2020 data scores. The service will work with Pensions Admin on improving the data in the system and make recommendations.	TL/CC	2	3	3	8	2	16	Dec-20
F2	Risk of manual intervention in administration reporting. No manual intervention day to day outside of the project e.g. Miskey errors.	SW	2	4	2	8	3	24	TREAT 1) Automated extraction of data where viable and agreed process for audit assurance.	TL/CC	2	3	2	7	3	21	Dec-20
F4	Failure to communicate adequately and timely with scheme members	LS/RT	1	4	4	9	3	27	TREAT 1) Ensure the website is updated, that newsletters are published and annual benefit statements when due to be communicated. 2) Yammer communications (frequently) 3) Pensions SharePoint Site 4) Pension Admin to send out ABS	LS/Pension Admin/RT	1	1	1	3	2	6	Dec-20
F5	Failure to recognise and manage conflicts of interests of Board members	Dem serv/LFPB Chair	1	1	5	7	3	21	TREAT 1) Declaration of interests at the beginning of each meeting.	Dem serv	1	1	5	7	1	7	Dec-20
F6	LFPB Policies and strategies not in place or reviewed.	LFPB Chair	2	2	3	7	3	21	TREAT 1) Reviewed by the Board 2) Ensure roles and responsibilities are clarified.	LFPB	2	2	3	7	2	14	Dec-20
F8	Unstructured training and Knowledge Transfer leads to under developed workforce resulting in inefficiency in Pension Admin.	SW	4	4	4	12	3	36	TREAT 1) In the short term additional resources are supporting on lower priority work. 2) Looking at future options on pension administration working with pension admin and service.	CC/TL	3	3	4	10	3	30	Dec-20
F9	Failure to administer the scheme in line with regulations and policies, compliance towards regulations and assurances need to be built in to ensure the pension scheme is administered in line with current in force regulation and policy.	SW	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.	CC/TL	2	2	4	8	2	16	Dec-20
F9i	Failure to notify staff of the Modified Pension Scheme means the employer and employee has to collect contributions and make contribution shortfalls.	SW	2	2	4	8	4	32	TREAT 1) Officers to report to the Board. 2) Legal advice has been received. Contact has been made with members. 3) Awaiting further communications regarding second options exercise.	TL/CC	2	2	4	8	4	32	Dec-20
F10	Gaps in skills and knowledge of Board members to adequately make decisions, provide assurance and to scrutinise the efficiency of the SFRS Pension Schemes.	LFPB Chair	2	3	3	8	3	24	TREAT 1) Members of the Board will be mindful of the Attendance and Knowledge and Understanding Policy when setting objectives and establishing training needs. 2) The board has approval from Audit and Governance committee to establish substitutes. 3) All board members to attend LGA provided training.	LFPB	2	3	3	8	2	16	Dec-20

F11	Inability to respond to a significant event leads to prolonged service disruption and damage to reputation.	SW	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	CC/TL	3	3	3	9	1	9	Dec-20
F16	Workforce Reform leads to changes within our working arrangements without consideration of the pensions implications	SW	3	3	2	8	3	24	TREAT 1) Regular monitoring by the scheme manager 2) Regular discussion at Assurance SLT 3) Regular PM Meetings with Transformation Programme Lead 4) Scheme Manager added to the Workforce Working Group attendees	SW	3	3	2	8	2	16	Dec-20
F21	Moving out of County Hall could adversely affect team morale as majority of the staff are within a few miles of County Hall. A move to an office further away may result in employees finding jobs elsewhere to minimise the commute. Resulting in: - Significant loss of skilled and experience staff.	TL/CC	2	3	3	8	3	24	TREAT 1) Pensions admin exploring other arrangements. 2) Engage with staff early and to understand their concerns which should be fed into the consideration of new location.	TL/CC	2	3	3	8	2	16	Dec-20
F22	Board meetings being disrupted due to Covid19.	Dem serv	2	3	3	8	4	32	TREAT: 1) Use video / conference calls. 2) Flexibility about meeting dates. 3) Ensure that delegated responsibilities are clearly understood. 4) Review decision making, delegations and meeting powers. 5) Hold Board meetings electronically. 6) Investigate whether quoracy can be relaxed. 7) Anticipate potential problems and agree actions to address them in advance. 8) Consider delegating responsibility to an emergency response group.	Dem serv	1	2	2	5	2	10	Dec-20
F23	Pension administration service disrupted due to Covid 19. A number of staff may be off work due to the virus and there is also an impact on the productivity due to prolonged working from home without sufficient support.	TL/CC	2	4	3	9	3	27	TREAT: 1) Encourage working from home where it is possible and providing appropriate guidance to help individuals to work effectively. 2) Encourage cross training where it is possible. 3) Using secure email, instead of sending out letters.	SW/TL/CC/NM	1	3	2	6	3	18	Dec-20
F24	Failure to notify staff of the 10% pensionable pay allowances means the employer and employee has to collect contributions and make contribution shortfalls.	SW	2	2	4	8	4	32	TREAT 1) Officers to report to the Board. 2) Legal advice has been received. Contact has been made with members. 3) Letters going to Fire Services to communicate with members who have transferred out.	RT	1	3	2	6	4	24	Dec-20

F25	Following the European Court of Justice's decision in O'Brien v Ministry of Justice which is a case concerning fee paid judges in the Judicial Pension Scheme, the UK Government have recognised the right for retained firefighters employed before 1 July 2000 to elect to become a special member from the start date of their employment. A second options exercise will require additional resources which are limited.	SW		2	2	4	8	4	32	<p>TREAT:</p> <p>1) A second options exercise is required, for which legal discussions have commenced between central government, the LGA on behalf of FRAs and trade union legal representatives to consider who is in scope and the details of the settlement exercise.</p> <p>2)The most recent LGA Factsheet relating to this case stated that regulations for England will be drafted and consulted on following the conclusion of the legal discussions. It is expected further regulations and consultations for the devolved governments will follow later. No timescales are known at this stage.</p> <p>3) It is likely that the options exercise will be undertaken post a decision on future pension administration services. The scope of the activity will be considered as more information becomes available.</p>	SW/TL/CC/NM		2	2	4	8	4	32	Dec-20
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