

Notice of meeting

Surrey Local Firefighters' Pension Board



Date & time	Place	Contact	Chief Executive
Thursday, 22 April 2021 at 2.00 pm	Remote via Teams	Angela Guest Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF angela.guest@surreycc.gov.uk	Joanna Killian

Elected Members

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: 15 JANUARY 2021

(Pages 5 - 10)

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

3 DECLARATIONS OF INTEREST

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

Notes:

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

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (16/04/2021).
2. The deadline for public questions is seven days before the meeting (15/04/2021)
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: 1 DECEMBER 2020 - 28 FEBRUARY 2021

(Pages
19 - 66)

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

7 SCHEME MANAGEMENT UPDATE REPORT

(Pages
67 - 70)

The Board are asked to note the report.

8 RISK REGISTER(Pages
71 - 72)

The Board is asked to note the content of this report and to make recommendations of any amendments to the Surrey FFPS Risk Register.

9 EXCLUSION OF THE PUBLIC - IF NEEDED

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**10 PUBLICITY OF PART 2 ITEMS**

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

11 DATE OF THE NEXT MEETING

To note that the next meeting will be held on 8 August 2021.

**Joanna Killian
Chief Executive**

Published: Wednesday, 14 April 2021

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MINUTES of the meeting of the **SURREY LOCAL FIREFIGHTERS' PENSION BOARD** held at 10.00 am on 15 January 2021 Remote via Teams.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 22 April 2021.

(* present)

Elected Members:

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

21/21 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

There were none.

22/21 MINUTES FROM THE PREVIOUS MEETING: 18 NOVEMBER 2020 [Item 2]

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

23/21 DECLARATIONS OF INTEREST [Item 3]

There were none.

24/21 QUESTIONS AND PETITIONS [Item 4]

There were none.

25/21 ACTION TRACKER [Item 5]

Witnesses:

Sally Wilson, Scheme Manager

Key points raised during the discussion:

The following changes were requested be made to the action tracker:

- A11/20 – remove Vice Chairman from owner column
- A14/20 & A15/20 – Scheme Manager and Workforce Information Officer to co-ordinate training
- A16/20 & A19/20 – Change owner to Scheme Manager
- A20/20 – remove Vice Chairman from owner column
- A26/20 – text in brackets to be transferred to update column
- A26/20, A27/20 & A28/20 – to be rated yellow as not complete

Actions/ further information to be provided:

The Scheme Manager and Workforce Information Officer to co-ordinate training for the Board in relation to A14/20 & A15/20.

Resolved:

The Board noted the action tracker.

26/21 ADMINISTRATION UPDATE: [Item 6]

Witnesses:

Tom Lewis, Pensions Support & Development Manager
Clare Chambers, Pensions Service Delivery Manager
Sally Wilson, Scheme Manager

Key points raised during the discussion:

1. The Scheme Manager introduced an administration update. This report set out two months of KPI figures, as opposed to the usual three months, due to how the dates of meetings had fallen. She highlighted the following from the report and its annexes
 - 2.17 to 2.19 of the KPI annex referring to backlog in transfers which were slowly being dealt with.
 - Paragraphs 9 and 10 of the main report regarding opt-outs
 - Paragraph 19 of the main report concerning the High Court ruling on GMP equalisation and stated that there may be a need to look at historic transfers out of the scheme.
 - She also highlighted paragraphs 24 and 25 and referred to the improving scores regarding common and specific data scores
 - Paragraphs 26 and 27 of the main report referring to the work being undertaken with the helpdesk and stated that five new agents had been appointed to work through the 500 to 600 emails. She also explained that remote working was making learning difficult for the new appointees.
2. The Pensions Support & Development Manager explained that the possibility of using East Sussex for support going forward was not an option due to the dissolution of the Orbis arrangement. She highlighted that the risk log for Covid-19 had been reopened.
3. A Member asked for the helpdesk contact telephone details to be made more accessible, especially for those that may not have access to the Council's S-net.
4. The Scheme Manager explained that the new supplier, XPS, would soon be setting an implementation work programme and that they had experience of working with the fire service so understood the scheme complexities.

Actions/ further information to be provided:

1. The Scheme Manager is requested to:
 - send a note to all firefighters with helpdesk telephone numbers
 - to provide briefing to members on resourcing.
2. That the Board receive details of the transition plan when it is completed and before the next Board meeting in April.

Recommendations:

The Board noted the report.

27/21 TPR SURVEY RESULTS [Item 7]

Witnesses:

Sally Wilson, Scheme Manager

Key points raised during the discussion:

1. The Chairman stated that he had received notification that the 2020 survey was due to start soon. He requested that the Scheme Manager provide comparison data for SFRS the next time this report was presented to the Board.

Actions/ further information to be provided:

1. That the Scheme Manager provide comparison data with future TPR (The Pensions Regulator) survey results.

Recommendations:

The Board noted the report.

28/21 SCHEME MANAGEMENT UPDATE REPORT [Item 8]

Witnesses:

Sally Wilson, Scheme Manager

Key points raised during the discussion:

1. Richard Jones had provided a written note of concerns regarding pensionable allowances which are attached as an annex to these minutes. In response to this the Scheme Manager explained that it was not right to share legal advice received but that the advice was being responded to and the Board would be kept updated. Richard Jones was not happy that employers were unwilling to share the legal advice.
2. The Scheme Manager also explained that further resources were being sought due to the Project Manager being currently unavailable.

3. Richard Jones raised a discrepancy of who had been contacted in relation to pension contributions as he had received notice from some that had not been contacted. He was asked to provide specific details to the Scheme Manager.

Actions/ further information to be provided:

1. Richard Jones to provide details of members that had not received communication to the Scheme Manager to look into.

Recommendations:

The Board noted the report.

29/21 RISK REGISTER [Item 9]

Witnesses:

Sally Wilson, Scheme Manager

Key points raised during the discussion:

1. The Scheme Manager updated the Board on changes made to the register and agreed that risk F8 needed to be expanded to incorporate the shortage of trained resources and not just the issue of training and knowledge.
2. The Chairman requested that risks be reviewed and updated due for the transfer to a new supplier, and the loss of East Sussex as backup.
3. Risk F16 was discussed in respect of its scoring and mitigations. The Scheme Manager reported that the risk had been reviewed and that engagement was in place for workforce related changes through internal governance and outcomes were a service-related matter rather than a pension related matter.
4. Richard Jones requested that a new risk be added in relation to decisions taken by service management that could lead to legal challenge. The Scheme Manager requested further information so she could look into this. Richard Jones stated that he was not happy with the response and that he did not agree that the risks were scored adequately. The Chairman pointed out that F16 was not marked green so was still marked as an ongoing risk.
5. There was discussion around the risk F24 and whether it explained the problem correctly and whether the mitigations listed would actually mitigate. The Scheme Manager was happy to review the risk and add further explanation and would discuss with Richard Jones. The Chairman requested that the score also be reviewed due to possible financial and reputational risk.
6. The Board requested a new risk be added to the register to identify cyber risks.

Actions/ further information to be provided:

That the Scheme Manager review:

- Risk F8
- Risks F16 and F24 be reviewed after discussion with Richard Jones
- Risk F24 scoring be reviewed
- Addition of new risks concerning the transfer to a new administrator, the loss of East Sussex as a back-up, and around cyber security.

Recommendations:

The Board noted the report.

30/21 EXCLUSION OF THE PUBLIC [Item 10]

Resolved: 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.

31/21 TPR CORRESPONDENCE [Item 10a]

Witnesses:

Sally Wilson, Scheme Manager

Key points raised during the discussion:

1. The Board discussed Part 2 correspondence with The Pensions Regulator.

Actions/ further information to be provided:

1. That the Board be briefing on outsourcing and other programmes as required between Board meetings.

Recommendations:

The Board noted the TPR correspondence.

32/21 PUBLICITY OF PART 2 ITEMS [Item 11]

Resolved:

That the Part 2 correspondence not be made public.

33/21 DATE OF THE NEXT MEETING [Item 12]

The Board noted that the next meeting would be held on 22 April 2021.

Meeting ended at: 11.22 am

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.

KEY		No Progress Reported	Action In Progress	Action Completed
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Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
14 October 2019 A16/19	Risk Register	The Pensions Accountant Advisor is to add a risk relating to data improvement.	Project Manager	<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>Dec 2020: latest report included as an agenda item – to be agreed at the Jan 2021 meeting.</p> <p>April 2021: included in risk register and subject to review of data quality.</p>	complete
17 January 2020 A1/20	Administration Update (1 September 2019 - 31 December 2019)	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.	Pensions Administration team	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	Ongoing Item 5

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
Page 12				<p>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 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</p>	

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
				Allowances now we are ready to write back out to members. April 2021: Awaiting details of 2 nd options exercise.	
17 January 2020 A7/20 Page 13	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	The Pensions Administration team will discuss with the service on how to address the backlog. 30/04/20 (informal meeting) - To be progressed in due course taking into account the national situation around Covid-19. January 2021: Plans for clearing the backlog of cases were shared in the previous admin update April 2021: Conversations are taking place with the Scheme Manager to determine the priority work over the next 6 months pre-migration to XPS. All key work areas will be covered and undertaken using bank staff who are employed to carry out Fire Scheme work.	Ongoing
17 January 2020 A11/20	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.	Pensions Support & Development Manager	Data on 'Person Matches' have been included in Annex 3 to the Administration Update 1 January 2020 – 31 March 2020 under 'Scheme Address Tracing'. The full trace exercise is due to be complete and results returned by ITM by the end of April. 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.	Complete

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
Page 14				<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 successful results will be supplied in time for the EOY ABS run.</p> <p>April 2021: Follow up to be included in future Admin reports.</p>	
17 January 2020 A14/20	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	<p>Members will be provided with a summary of the major training areas that need to be covered in due course.</p> <p>Dec 2020: to be discussed at Jan 2021 meeting</p> <p>April 2021: Training session happened. Board to discuss future training needs.</p>	Ongoing
30 April 2020 A15/20 (Informal meeting)	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	Ongoing

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
due to Covid-19)				Firefighters' Pension Scheme (FPS), which would be explored. Dec 2020: to be discussed at Jan 2021 meeting April 2021: Training session happened. Board to discuss future training needs.	
30 April 2020 A16/20 (Informal meeting due to Covid-19)	Action Tracker and Risk Register	A) 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) A risk to be added to the Risk Register concerning Pensionable Pay - particularly in relation to Duty Systems.	Scheme Manager	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 Council situation looked like. He was mandated with a task to prioritise current members and gone back to Weightmans for further advice. 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. April 2021: verbal update to be given at the meeting	Ongoing

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
30 April 2020 A19/20 (Informal meeting due to Covid-19)	Risk Register	The Pensions Support & 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.	Scheme Manager	Dec 2020: to be discussed at Jan 2021 meeting	Ongoing
30 April 2020 A20/20 (Informal meeting due to Covid-19)	Administration Update (1 January 2020 - 31 March 2020)	The Pensions Support & Development Manager will liaise with the Head of Data, Digital & Special Projects on the next steps concerning the Guaranteed Minimum Pension (GMP) reconciliation - the new Project Manager to assist.	Pensions Support & Development Manager/ Head of Data, Digital & Special Projects	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. April 2021 - Reports sent to scheme manager for review and decisions regarding tolerance setting levels	Ongoing
18 November 2020 A24/20	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 A26/20	Risk Register	That the issues of 10%, resources and the O'Brien case show as separate risks and be rated accordingly.	Scheme Manager	(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)	complete

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
18 November 2020 A27/20	Risk Register	Regarding risk F16, the risk and control measures should be reviewed.	Scheme Manager		complete
18 November 2020 A28/20	Pensionable Pay Update	That the Scheme Manager update the Board outside the Board meeting as well as to the next Board meeting.	Scheme Manager		complete
15 January 2021 A1/21	Administration Update	<ol style="list-style-type: none"> 1. The Scheme Manager is requested to: <ul style="list-style-type: none"> • send a note to all firefighters with helpdesk telephone numbers • to provide briefing to members on resourcing. 2. That the Board receive details of the transition plan when it is completed and before the next Board meeting in April. 	Scheme Manager	<p>April 2021: 1) communication went out to firefighters via sharepoint. 2) Awaiting signing of contract before transition plan is available</p>	Complete delayed
15 January 2021 A2/21	Scheme Management Update Report	Richard Jones to provide details of members that had not received communication in relation to pension contributions to the Scheme Manager to look into.	Scheme Manager	<p>April 2021: No information received from Richard Jones.</p>	

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
15 January 2021 A3/21	Risk Register	That the Scheme Manager review: <ul style="list-style-type: none"> • Risk F8 • Risks F16 and F24 be reviewed after discussion with Richard Jones • Risk F24 scoring be reviewed • Addition of new risks concerning the transfer to a new administrator, the loss of East Sussex as a back-up, and around cyber security. 	Scheme Manager	April 2021: All risks were reviewed, and actions updated	
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Surrey Firefighters Local Pension Board
22 April 2021

Administration Update 1 December 2020–28 February 2021

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 December 2020 to 28 February 2021, and an update of performance and current issues is set out below and in the attached Annexes.

Administration Performance

3. Details of all cases completed between 1 December 2020 to 28 February 2021 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. During the period 1 December 2020 to 28 February 2021 a total of 42 cases were reviewed and completed/terminated. This was a combination of new work received and clearance of outstanding casework. This is an increase from 28 cases completed in the previous period. Death and retirement cases are treated as high priority cases and other case types for example, refunds, transfers and deferments are completed

once relevant information is received back from the member or other pension administrator within the realms of the administration resource available.

7. There are currently 77 cases still open and waiting to be processed, this is a reduction from 97 at the end of the last period. The priority is to clear as many open cases as possible prior to the transfer to XPS. A list of cases to work on are sent to the administration resource each week to focus effort to complete the open cases as well as completing new priority cases that are received. The head of pension administration is regularly monitoring the workflow of cases.

Pension Scheme Opt-Outs

8. It was agreed in October 2018 that Officers would provide members' reasons for opting out of the pension scheme.
9. In the period 1 December 2020 to 28 February 2021 there was 4 opt outs.

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.

10. Bulletins [41](#) , [42](#) and [43](#) (**Annex 2**) have been published since the last Board meeting.
11. Bulletin 41 contained an **action** for Scheme Managers and Local Pension Boards to consider the six key processes within the tPR factsheet and assess which ones they have in place and take action to address any gaps.
12. Bulletin 41 also contained further points for FRA's to assist when making determinations under the Firefighters' Compensation Scheme.
13. Within Bulletin 41 is a statement drafted on behalf of SAB confirming that IQMPs may assess the same member against the criteria of multiple schemes for recognised purposes including injury awards under the compensation schemes, transitional deferred benefits, and age discrimination remedy/immediate detriment.
14. Confirmation of the Public Service Pension Indexation and Revaluation 2021 was included in Bulletin 41. Public service pensions will be increased by 0.5% from 12 April 2021. FPS 2015 will use the figure of 2.4% as set out in the statement for the earnings element of revaluation for active members effective from 1 April 2021.
15. Bulletin 42 contained an **action** that FRAs should read the draft Remedy data collection guidance and consider any processes or additional resources that need to be put in place to identify the data required, in advance of the standard template being provided.

16. There is an article in Bulletin 42 relating to the Age Discrimination Remedy consultation response being published. The response confirms that discrimination will be addressed in two parts. All protected members who are not currently members of FPS 2015 will transfer into this scheme on 1 April 2022. For benefits built up between 1 April 2015 and 31 March 2022, unprotected and taper members will be credited with final salary build-up in the original scheme. At retirement, members will be able to choose between keeping their legacy final salary benefits or receive the CARE benefits that they would have built up in the same period.
17. Bulletin 42 also confirms that the 2016 Cost Cap Valuation will be lifted, and GAD will proceed with finalising the valuations. Under this valuation the Government have announced that any breaches to the cost cap ceiling will be waived as it would be inappropriate to reduce member benefits at this time. The Government also announced that any changes to employer contribution rates as a result of the 2020 valuation will be delayed from April 2023 to April 2024.
18. There is reference to Immediate Detriment in Bulletin 42, and the article includes a statement that FRAs will now want to consider their decision in relation to payments under the Immediate Detriment guidance, which was issued by the Home Office on 21 August 2020. FRAs need to determine whether they have the necessary information available to them to make decisions and understand the risk to their organisation. There are several questions set out in the bulleting that FRAs may want to consider before making a decision.
19. Bulletin 43 contains an **action** on collection of pensions accounting data. On 31 March 2021, the Home Office sent an email to Claim Certifiers and Administrators to advise that FRAs should now be working towards submitting audited 2019/20 and unaudited 2020/21 pensions income/expenditure data as part of this year's top up grant claim. The data will need to be submitted on the DELTA online data collection system. In addition to the data submitted on DELTA, the Home Office are also requesting that all FRAs provide electronic copies of the trial balances from audited accounts where the pensions income/expenditure data was extracted for completion of the audited 2019/20 DELTA return by email, to include any post balance sheet adjustment events. This information is needed by Friday 14 May to allow relevant checks to be completed before the next batch of grant payments in July.
20. Bulletin 43 provides an update on the LGA project management approach to age discrimination remedy. Bulletin 42 confirmed that HM Treasury (HMT) had published its consultation response on changes to the transitional arrangements to the 2015 public service pension schemes. To show how the LGA intend to work with the sector to implement the remedy, they have produced a Project Implementation Document (PID) which sets out the scope, deliverables, and high-level timeline for the project. Alongside, there is a risk register to track potential challenges to successful implementation and measure our mitigations to these risks. There are also links to some changes made to the draft remedy data collection guidance issued in February.

21. Bulletin 43 also notes that FRA's will shortly be asked to complete a self-assessment survey for the LGA and Scheme Advisory Board to make sure they can the right level and type of support as part of the implementation of the age discrimination remedy. The survey is expected to be circulated in May 2021.
22. Bulletin 43 details the Scheme Advisory Board (SAB) has renamed the Administration and Benchmarking committee. To better reflect the SAB's legal requirement under Regulation 4E(3) to provide "advice to scheme managers and local pension boards in relation to the effective and efficient administration and management of this scheme and any connected scheme", the Administration and Benchmarking committee has been renamed as the *Scheme Management and Administration (SMA) committee*.
23. Bulletin 43 provides an update on the published (23 March 2021) Government's response to the consultation on GMP Indexation in Public Service Pension Schemes. The response concludes that the government has decided to discount conversion as a long-term policy solution and make the interim solution the permanent solution for GMP indexation in public service pension schemes. It also directs that an increase of 0.5% should be applied:
- on 6 April 2021 to the post-5 April 1988 GMP element of a pension in payment (by way of the Guaranteed Minimum Pension Increase Order 2021 [SI2021/163]), and
 - on 12 April 2021 to the pre-6 April 1988 GMP element of a pension in payment (by way of the Pensions Increase (Review) Order 2021 [SI2021/275]) if the individual reached SPA after 5 April 2016, provided the member's pension increase (PI) date is before 6 April 2020. If the individual reached SPA after 5 April 2016 and their PI date is after 5 April 2020, then a pro-rata increase will apply to the pre-6 April 1988 GMP element of their pension in payment.
24. Bulletin 43 reported on 17 March 2021 the Pensions Regulator (TPR) published a consultation on the draft content for a new code of practice. The first phase of the new code consists of 51 shorter, topic-based modules. These replace 10 of the existing codes of practice and mainly deal with the governance and administration of pension schemes. The new code has been designed to be a web-based product. Views are also sought on the design, usability, and navigation of this version of the code by 26 May 2021.
25. HMRC information in Bulletin 43 reports that the amount of the pension lifetime allowance for tax years 21/22 up to and including 25/26 will remain at £1,073,100. On 25 March 2021, HMRC published Countdown Bulletin 54 with an update on issuing final data cuts to pension scheme administrators. It provides contact details of any schemes have not received their final data cut.

Pensions Helpdesk

1. As of 23 March 2021, the Pensions Helpdesk had reduced the number of outstanding e-mails in their inbox to 33 and are responding to enquiries within the Surrey County Council 'Customer Promise' of 3 working days.
2. The team have 3 new agents joining on 6 April so will be in a very good place in preparation for year end and Annual Benefit Statement dispatch.
3. They have also reverted to their full telephone operational hours of 9am to 4pm, so no longer closed for the lunch period.

Address Tracing

4. Having worked with a specialist tracing company, ITM, the administration requested a trace for any members who fell within these 3 categories:
 - a. Deferred member aged 55+
 - b. Members with unconfirmed address (gone away) on admin system
 - c. Frozen refunds approaching 5 year period
5. 72 member records were requested to have mortality screening undertaken by ITM based on the categories above and the results were as follows:

Total Records sent:	72
No Address found:	3
Address Abroad found:	4
Mortality Screening total:	72
Electronic Trace required:	64

6. Of the 72 cases sent to ITM, 64 of these required further electronic tracing after mortality screening as per below:

UK Electronic Trace	Records	(%)
Traced Same < 3 Months	30	46.9%
Traced New < 3 Months	10	15.6%
Traced New >3 Months	0	0.0%
Person Matches	10	15.6%
No Matches	14	21.9%
	64	100%

7. Based on these findings, a total of 27 cases require a full trace to establish address details which are made up of:
 - a. 3 No address found in mortality checks
 - b. 10 Person Match failures
 - c. 14 No Match failures

8. Still awaiting results of the final 27 member checks. Full tracing reports to date can be found in Annex 3.

Pension Increase:

9. Pension Increase has been applied for all members in the 1992 scheme in time for March payroll. Remaining membership will be applied in line with the April payroll dates.

Horizon Planning

1. McCloud – Discussions have taken place with the service regarding the approach to this work area. At present further information is required from the LGA to capture the date via payroll.

The administration team have had meetings with specialist data companies to understand what services they offer and how they may be able to support any agreed approaches. Given the timings of this and the migration to a new provider, it is prudent to open discussions with XPS and understand what their approach will be and, understand what is realistically achievable in the time frame we have.

2. End of Year/Annual Benefit Statements/Annual Allowance 2021 – Planning has kicked off for the 2021 end of year season. Plans have been produced and signed off by PAS. These will be closely aligned to the management of other fund exits, ensuring project dependencies are recognised and managed throughout. High level plans can be seen in Annex 4.

Summary

10. 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.

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T: 07583 072853 E: tom.lewis@surreycc.gov.uk

Sources/background papers:

Surrey Local Pension Board Terms of Reference

Annexes

Annex 1 – SFRS Dec 2020 – Feb 2021 KPI Report

Annex 2 – FPS Bulletins 41, 42 and 43

Annex 3 – Surrey Fire Batch Trace Results

Annex 4 – ABS Plans

ADMINISTRATION PERFORMANCE REPORT (1) April 2021

ADMINISTRATION - ONGOING WORKFLOW

1 December 2020 - 28 February 2021										
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
OW 1	<u>OVERVIEW</u>									
OW 1.1	TOTAL SURREY CASES Total number of cases in period	N/A		32	42	13	31%	133	97	77
OW 1.3	SCHEME MEMBERSHIP Number of members in the Surrey LGPS	N/A		1,746						
	Active members	N/A		611						
	Deferred members	N/A		210						
	Pensioner members	N/A		925						
OW 2	<u>CASELOAD DETAIL</u>									
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%	1	1	1	100%	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%	1	3	0	0%	532	14	6
OW 2.3	RETIREMENT (INITIAL NOTIFICATION) Calculate pay, membership and retirement benefits and send initial letter and forms to member.	15 working days	80%	0	1	0	0%	43	1	0
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	1	1	100%	15	2	1
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%	9	13	4	31%	28	5	1
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	2	1	50%	8	1	0
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%	8	5	4	80%	11	1	4
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	0	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	0	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%	4,042	N/A	N/A	FPF = 79%	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	0	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%	2	1	0	N/A	N/A	6	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%	0	0	0	N/A	N/A	9	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%	3	1	0	0%	397	27	29
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	0	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%	1	3	0	N/A	N/A	3	1
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%	1	4	1	25%	74	7	4
OW 2.18	NON-FIRE TRANSFER OUT (ESTIMATE) Upon request send transfer quotation and discharge forms.	20 working days	80%	4	7	1	14%	92	21	16
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	0	0	N/A	N/A	0	0

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FPS Bulletin 41 – January 2021

Welcome to issue 41 of the Firefighters' Pensions Schemes bulletin and a belated Happy New Year to all. We hope that readers remain safe and well.

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

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Calendar of events

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Table 1: Calendar of events

Event	Date
FPS coffee and catch up	Every second Tuesday from 9 February 2021
Midlands regional group	9 February 2021
North East regional group	17 February 2021
Eastern regional group	18 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:

[TPR six key processes](#): scheme managers and LPBs to consider the six key processes factsheet, assess which they have in place and take action to address any gaps.

FPS

[Age discrimination remedy consultation update](#)

We expect that HM Treasury (HMT) will publish their response to the [consultation on changes to the transitional arrangements](#) to the 2015 public service pension schemes in early February.

In preparation, we have created a new section on the FPS regulations and guidance website for [age discrimination remedy](#), which splits out the existing content from the earlier page under Legal Landscape. We will update the new section as more information becomes available.

Factors extended for FPS 2006 special member transfer service credits

Following an administrator request, GAD has provided the following table (Table A) to extend the conversion factors for transferred-in service credits (standard to special membership) from age 59 to age 60.

Age last birthday at relevant date	Male Conversion Factors	Female Conversion Factors
55 and under	0.700	0.710
56	0.706	0.713
57	0.716	0.721
58	0.728	0.731
59	0.740	0.740
60	0.750	0.750

The factor at age 60 should be applied in the same way as for factors at other ages. Note that the factors for ages 59 and below in the above table are unchanged from the current published table.

GAD is not aware of any exclusions which prohibit the conversion of transferred-in service credits at age 60 and this position was confirmed by the Home Office.

All factor tables and guidance notes can be found on our dedicated [GAD guidance webpage](#).

Firefighters' Compensation Scheme

In [FPS Bulletin 39 - November 2020](#) we commented on identifying a qualifying injury. We have received further requests regarding the FRA's position on the compensation scheme, and we offer the following points that may assist when making determinations under the compensation scheme:

- The compensation scheme is the responsibility of the employing FRA, payments from the scheme are paid from the Fire and Rescue operating account, not the notional pension account topped up by Government as per paragraphs 3.23 to 3.29 of the [finance guidance](#).
- There have only been minor amendments to the [compensation scheme rules](#) since 2006.
- The entitlement to an injury award under the compensation scheme occurs if the infirmity is occasioned by a 'qualifying injury' [[Part 2, Rule 1, sub para 1](#)]
- 'Qualifying Injury' is defined in [Part 1, Rule 7](#). There has only been a minor amendment to this rule by [SI 2014/447](#) which substituted 'regular firefighter' for 'regular or retained firefighter' "references in this Scheme to a qualifying injury are references to an injury received by a person, without his own default, **in the exercise of his duties as a regular or retained firefighter.**"

- Regular firefighter is defined in the [interpretations](#) as
“regular firefighter” means—
(a) a person who is employed—
(i) by a fire and rescue authority as a firefighter (whether whole-time or part-time), other than as a retained or volunteer firefighter; and
(ii) on terms under which he is, or may be, required to engage in fire-fighting or, without a break in continuity of such employment, may be required to perform other duties appropriate to his role as a firefighter (whether instead of, or in addition to, engaging in fire-fighting) and whose employment is not temporary;
(b) a person who holds office as the London Fire Commissioner where the terms and conditions of appointment to that office include—
(i) resolving operational incidents, or
(ii) leading and supporting others in the resolution of operational incidents;”
- Retained firefighter is defined by the [interpretations](#) as
“retained firefighter” and “retained or volunteer firefighter” mean a person employed by an authority—
(a) as a firefighter, but not as a regular firefighter,
(b) on terms under which he is, or may be, required to engage in fire-fighting or, without a break in continuity of such employment, may be required to perform other duties appropriate to his role as a firefighter (whether instead of, or in addition to, engaging in fire-fighting),
(c) otherwise than in a temporary capacity, and
(d) who is obliged to attend at such times as the officer in charge considers necessary, and in accordance with the orders that he receives;”
- It is for the FRA to consider whether the qualifying injury occurred ‘**in the exercise of duties’ as a ‘regular or retained firefighter’.**
- It would not be appropriate for anyone other than the employer to determine what is the exercise of duties as a firefighter; the regulatory definitions of a regular or retained firefighter do not refer to the role map, rather to their **employment** as a regular or retained firefighter.
- FRAs should take into account what the contractual arrangements for additional duties are and whether these are in the context of the existing contract as a firefighter, or whether these are contracted for separately with no reference to being employed as a firefighter. You may be aware of the employers circular FAQs Q12 regarding volunteering for additional duties “*What is the position in respect of my pension*” to which the answer is:

“You are volunteering to assist your service’s response to the pandemic, thereby agreeing to undertake a variation to your normal duties following a reasonable request by your employer. You are therefore undertaking authorised duty within the context of your existing contract and the pension scheme rules.”

January 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 monthly 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: abatement and death benefits.

FPS England SAB updates

IQMP assessments

At their meeting on 10 December 2020, the Scheme Advisory Board (SAB) discussed a [paper updating Board members on medical retirements](#) from the FPS.

The Board agreed that the paper should form a factsheet update to stakeholders on ill-health and injury retirements and that it would proceed with forming a review group for guidance.

In consideration of the question on the ability of an Independent Qualified Medical Practitioner (IQMP) to make an assessment under both the legacy and reformed schemes [paragraphs 30 to 33], the Board agreed for the secretariat to draft a statement on behalf of SAB to confirm that IQMPs may assess the same member against the criteria of multiple schemes for recognised purposes including injury awards under the compensation schemes, transitional deferred benefits, and age discrimination remedy/ immediate detriment.

This statement is included below:

“In cases of immediate detriment, some IQMPs have felt unable to make assessments under two schemes, due to wording in the scheme regulations that state the IQMP should not previously have been involved in a case for which his/her opinion has been requested, and they feel that whether the IQMP can express an opinion on both schemes simultaneously is unclear.

While the Board recognise that neither they, the LGA or the Home Office can provide a definitive interpretation of the regulations as only a court can provide a definitive interpretation of legislation, they are satisfied that the regulation wording should not prevent IQMPs from giving an opinion on both schemes, citing the example that this is currently the position for injury and ill-health retirements or deferred pension ill-health retirements, where the IQMP assesses the member under both the compensation scheme and pension scheme, or from both pension schemes for a deferred members retirement.

In consideration of the question on the ability of the IQMP to make an assessment under both the legacy and reformed schemes, the Board confirm that IQMPs may assess the same member against the criteria of multiple schemes for recognised purposes including injury awards under the compensation schemes, transitional deferred benefits, and age discrimination remedy.”

TPR six key processes factsheet 2021

We advised readers in [FPS Bulletin 39 – November 2020](#) that the results of the [2019 Governance and Administration survey](#) had been published by the Pensions Regulator (TPR).

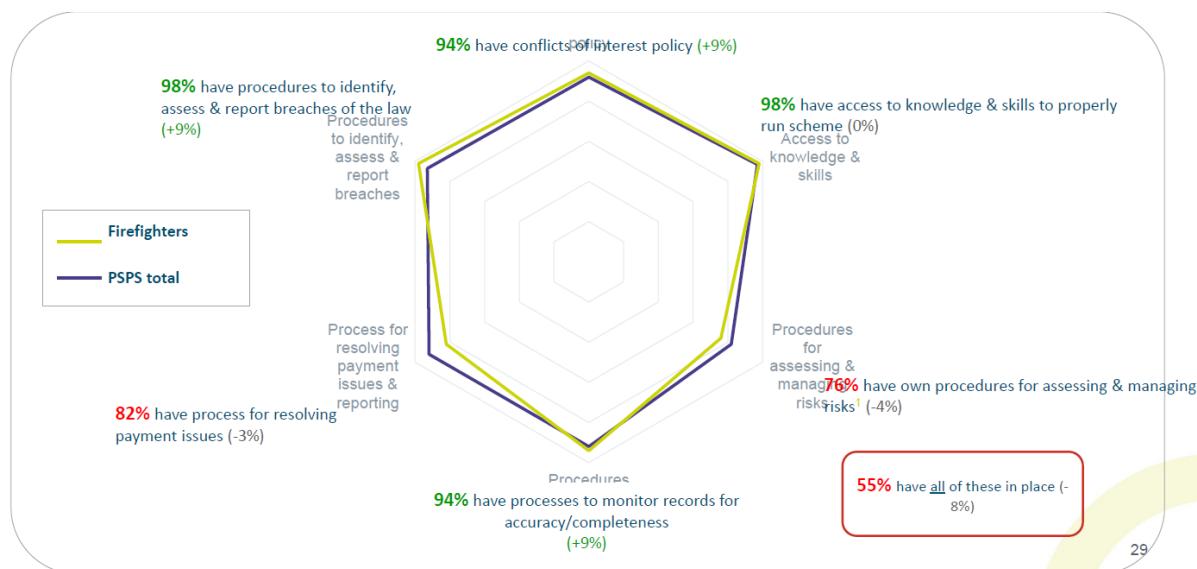
As part of the annual survey, TPR measures six processes as key indicators of public service pension scheme performance.

The six processes are:

1. Documented policy to manage board members conflicts of interest
2. Access to knowledge, understanding and skills needed to properly run the scheme
3. Documented procedures for assessing and managing risks
4. Process to monitor records for accuracy / completeness
5. Process for resolving contribution payment issues
6. Procedures to identify, assess and report breaches of the law

In 2019, 55 per cent of Firefighters' schemes across the UK reported having all six processes in place. This had reduced from 63 per cent in 2018.

Figure 1: Spider graph showing schemes' performance against the six key indicators



Source: [Local Pension Board Wrap Up Training 2020](#) [slide 29]

We have refreshed our [six key processes factsheet](#) to reflect the most recent results and give guidance to FRAs and their Local Pension Boards (LPBs) to improve understanding and compliance in the next survey.

SAB LPB effectiveness committee vacancy

We have a vacancy on the [LPB effectiveness committee](#) for a practitioner representative. The LPB effectiveness committee considers how local pension boards and scheme managers can be supported centrally and has been particularly active in board surveys and developing draft guidance for joint LPB applications.

This position would ideally suit an individual with an administration background who understands scheme governance and has experience of attending LPB meetings.

The required commitment is usually three to four meetings per year, although no committee meetings have taken place during the pandemic. We expect that meetings will resume as we progress through remedy and that most future meetings will be held virtually.

If you are interested in sitting on the committee or would like more information, please email bluelight.pensions@local.gov.uk.

Other News and Updates

Public Service Pension Indexation and Revaluation 2021

On 12 January 2021, HMT issued [written statement HLWS699](#) confirming the Public Service Pension Indexation and Revaluation for 2021.

Public service pensions will be increased in line with the annual increase in the Consumer Prices Index up to September 2020. The increase from 12 April 2021 is 0.5%.

HMT has published the [2021 pensions increase multiplier tables](#) and [covering note](#) to the GOV.UK website in advance of the Pensions Increase (Review) Order being laid.

FPS 2015 will use the figure of 2.4% as set out in the statement for the earnings element of revaluation for active members to be applied at one second after midnight on 31 March 2021.

Restriction of exit payments update

We confirmed in [FPS Bulletin 39 – November 2020](#) that HMT had published Directions and guidance on the [Exit Payments Regulations](#).

Just before Christmas, amended versions of these documents were published. The documents set out the obligations on individuals and employers and the waiver process for exit payments over £95,000. The new versions can be accessed below:

- [Guidance on the 2020 Regulations](#)
- [HM Treasury Directions](#)

On 21 December 2020, Lord Agnew of Oulton, Minister of State (HM Treasury), confirmed in response to a [written parliamentary question on redundancy pay](#) that employer's national insurance contributions (NICs) are not an exit payment and therefore not included when determining if the £95,000 cap has been breached.

For the latest information on exit payments in respect of FRA employees who are members of the Local Government Pension Scheme (LGPS), please see [LGPC Bulletin 205 – January 2021](#).

The Pensions Ombudsman (TPO) stakeholder newsletter

TPO has published the latest issue of its stakeholder newsletter: [Issue 10 – December 2020](#). The newsletter includes details of recent appointments, updates on stakeholder and customer surveys, and further enhancements to the TPO website.

Earlier communications from TPO and a full history of determinations in relation to the FPS are held on our [TPO webpage](#).

Pensions Dashboards Programme – welcome to 2021

The Pensions Dashboards Programme (PDP) published a blog on 12 January 2021 entitled '[welcome to 2021 and brighter days ahead](#)'. The blog outlines progress made by the PDP in 2020 and sets out milestones for the year ahead.

A significant step for the PDP will be the [Pensions Schemes Bill 2019-21](#) passing into law. The Bill will set out high-level legislative requirements that schemes and providers must comply with. In addition, the PDP expects to start a program of procurement for the digital infrastructure needed to support dashboards.

Automatic enrolment (AE) earnings trigger annual review

The Department for Work and Pensions (DWP) published its [annual review of the AE earnings trigger](#) on 20 January 2021. The review proposes that the existing trigger of £10,000 should remain unchanged for 2021/22.

FCA publishes DB transfer advice tool

The [Pension Schemes Act 2015 \(Transitional Provisions and Appropriate Independent Advice\) Regulations 2015](#) introduced the requirement for members to take independent advice where the value of their transfer value exceeds £30,000.

On 15 January 2021, the Financial Conduct Authority (FCA) published the [Defined Benefit Advice Assessment Tool](#).

The purpose of the tool is to allow the industry to understand how the FCA assesses advice suitability given before October 2020. The FCA will publish an updated tool reflecting changes made to pension transfer permissions in October 2020 during the coming months.

Government updates Brexit pension guidance

The Government has updated the [Brexit pension guidance](#) to reflect that the State Pension will continue to be increased while the person is resident in the EU and that the transition period has ended.

The guidance explains the rights of UK nationals in the EU, the European Economic Area or Switzerland to benefits and pensions now that the UK has left the EU.

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. 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 9 February 2021. If you would like to join us, please email bluelight.pensions@local.gov.uk.

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](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)

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Disclaimer

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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.

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FPS Bulletin 42 – February 2021

Welcome to issue 42 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

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Calendar of events

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Table 1: Calendar of events

Event	Date
LGA virtual annual fire conference	1 – 4 March 2021
FPS coffee and catch up	Every second Tuesday from 9 March 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:

[Remedy data collection](#): FRAs should read the draft data collection guidance and consider any processes or additional resources that need to be put in place to identify the data required, in advance of the standard template being provided.

FPS

[Age discrimination remedy consultation response published](#)

On 4 February HM Treasury (HMT) published its [consultation response on changes to the transitional arrangements to the 2015 public service pension schemes](#).

The response confirms that discrimination will be addressed in two parts.

To remove future discrimination from the schemes and ensure equal treatment, all remaining protected members who are not currently members of FPS 2015 will transfer into this scheme on 1 April 2022. This means that all future service for all members will build up in the reformed CARE scheme. Final salary benefits already built up are fully protected.

For benefits built up during the period of discrimination, 1 April 2015 to 31 March 2022, unprotected and taper members will be credited with final salary build-up in their original scheme. At retirement, all members will be able to keep their legacy final salary benefits or choose to receive the CARE benefits that they would have built up in the same period.

While we expect that transferring remaining members into FPS 2015 at 1 April 2022 will be relatively straightforward, the conversion of CARE benefits into final salary will involve complex administrative processes with adjustments of pay, contributions, tax relief, and pensions tax liabilities.

The consultation response addresses some of these issues, however, further policy decisions are needed in some areas. The Home Office will consult separately on changes needed to the Firefighters' Pension Scheme regulations to enact the remedy.

More information can be found on our [age discrimination remedy implementation](#) page.

We understand that members will have many questions about what these changes mean. At present, employers and administrators can only provide the general information that can be found in the consultation response. Until the necessary changes are made to the pension administration software systems, it will not be possible to provide estimates of benefits for members. This is likely to take some time.

Members do not need to take any action, as remedy will automatically be applied if they are eligible. The Home Office has published a [list of frequently asked questions](#) with information about scope and the decisions that the government have made.

We are working closely and at pace across the whole of the FPS sector and with government departments to support FRAs through the remedy implementation process.

Valuation

At the same time as publishing the response setting out the government's approach to removing discrimination, HMT also announced the position on both the paused 2016 cost cap valuation and the 2020 valuation, in [written statement HCWS757](#).

2016 valuation

The pause on the 2016 cost cap valuation will now be lifted, and the Government Actuary's Department (GAD) will now proceed with finalising the valuations based on the DCU approach to removing discrimination.

The cost cap for the FPS was set as 16.8 per cent¹ as at 1 April 2015. The provisional result of the 2016 valuation before the pause was effected was a cost cap cost of 11.6 per cent², which was 5.2 per cent lower than the cost cap floor set in April 2015.

The current process sets out that any breach to the floor of the cost cap would see improvements to scheme benefits to bring the cost cap back within range and, conversely, any ceiling breaches would see reductions to scheme benefits. Floor breaches refer to a change in value by more than 2 per cent below the established cost cap, i.e. less than 14.8 per cent, and a ceiling breach is a change in value by more than 2 per cent above this figure, i.e. more than 18.8 per cent.

Employers are continuing to pay increased employer contributions based on improving scheme benefits because of the floor breach in the paused 2016 cost cap valuation.

The government confirmed that early estimates of the cost cap taking into account the increased value of public service schemes to members as a result of the McCloud remedy mean that on review some schemes would now breach the ceiling. For the FPS this would mean the cost cap cost once calculated would have to be above 18.8 per cent.

If normal statutory procedure were followed, any ceiling breaches would lead to a reduction in member benefits to bring costs back to target. However, the government have announced that it would be inappropriate to reduce member benefits at this time and the effect of any ceiling breaches on the 2016 valuation would be waived.

2020 valuation

In July 2020 the government announced a [review to the mechanism to control the cost of public service pensions](#) for future valuations. While this review will not affect the process of the 2016 cost cap valuation which will continue on the current mechanism, the 2020 valuation will be subject to any recommendations as a result of this review.

The Government announced in [written statement HCWS757](#) that due to interactions with wider pension policies, in particular the implementation of the McCloud remedy reforms, completion of the 2016 valuation process and the review of the cost control mechanism, any changes to employer contribution rates resulting from the 2020 valuations will be delayed from April 2023 to April 2024.

That has the effect that employer contributions will remain at the same rate as set in the 2016 valuation until 2024. Further updates on any changes to that position will be made when information becomes available.

¹ <https://www.legislation.gov.uk/uksi/2015/465/regulation/5/made>

² <https://www.fpsreqs.org/images/Valuation/Valuation2016FV.pdf> [Table 3.6]

Transitional protections pensions claims: Schedule 22 appeal judgment

On 12 February, the Employment Appeal Tribunal (EAT) gave its judgment on the FRAs' appeal based on Schedule 22 of the Equality Act 2010. This appeal was based on the argument that the FRAs did not make the legislation which was found by the Court of Appeal to be discriminatory on grounds of age but were bound to follow it because it was the law. The EAT held that the FRAs cannot rely on the Schedule 22 defence.

Further information has been provided to the person nominated by each FRA to receive communications in respect of this, and related, legal cases.

The Steering Committee and legal representatives are considering whether it is appropriate to appeal the judgment.

Immediate Detriment

Following the decision of the EAT on the FRAs' schedule 22 appeal detailed above and its effect on Section 61 of the Equality Act 2010, FRAs will now want to consider their decision in relation to payments under the [immediate detriment guidance](#), which was issued by the Home Office at the request of the Fire Brigades Union on 21 August 2020.

FRAs now need to determine whether they have the necessary information available to them to make decisions and understand the risk to their organisation. To do this they may want to consider:

1. Is the six-page note provided by the Home Office and in-house scheme knowledge sufficient to enable accurate calculations for members?

The note from the Home Office is labelled as informal guidance only. There has been no update from HMT or the Home Office on this note since it was published in August 2020, albeit a more cautionary note was included under [question 10 of the Home Office FAQs](#) that the legislation that allows schemes to do this is limited in effect (we believe that is a reference to Section 61 of the Equality Act), which does not allow for all consequential matters to be dealt with satisfactorily in all cases. For example, in cases where there are interactions with the tax system, perhaps where members have incurred or will incur tax charges or where contributions differ between the schemes.

The LGA published an [immediate detriment information note for FRAs](#) in October which gave further clarification of the technical issues yet to be commented on by the Home Office or HMT and the issues that would need to be decided by FRAs in their decision making on making any immediate detriment payments.

2. What does the local cohort of membership look like with regards to members whose calculation of benefits would be subject to policy decisions yet to be made, such as CETVs received after 1 April 2015, added pension payments, or pensions tax?

The Scheme Advisory Board (SAB) requested data from FRAs on these cohorts but only received 33 of 45 replies³.

3. What risk is there to the member on accepting payments without key policy decisions in place, and how will the member be told of this risk?

In considering this risk FRAs and members may wish to consider that final policy decisions have not yet been made on issues such as, how to claim tax relief on pension contributions owed, how to apply interest to contributions due, how pension tax might be calculated and paid, and what legislation is in place to deal with these issues before the pension scheme regulations are changed bearing in mind the note of caution in question 10 of the FAQs.

4. What governance might FRAs put in place to assure themselves that:
 - a. The correct benefits will be paid to members
 - b. Members have been satisfactorily made aware of expectations such as future payments owed due to interest being applied to contributions arrears.
 - c. Necessary processes will be in place to calculate and record the payments due bearing in mind that no automated processes or systems are available for the calculations until the significant software development needed has been completed.
5. How might they record their decision making so it is clear and transparent?

Having considered the above points, FRAs will wish to ensure they document their decision making for clarity and transparency. An [assessment matrix](#) was included with the October note to help FRAs identify whether they have all the information necessary to make a payment.

Draft remedy data collection guidance

In order to credit members with their original legacy scheme membership for the remedy period, administrators will need additional data from FRAs to rebuild the final salary record. For example, an unprotected member who transitioned to FPS 2015 from FPS 1992 on 1 April 2015 and remains in employment will need a final salary record creating for the full seven years from 1 April 2015 to 31 March 2022.

To assist administrators and FRAs with the process of collecting data and ensure consistency where possible, we intend to provide a template of data items that will be required. We are currently working with the software companies to agree the required data fields and formats. In the meantime, we have written a supporting document in conjunction with the Fire Communications Working Group (FCWG) to allow parties to identify where additional data will be required and what processes might need to be put in place to collate it.

³ [SAB 10 December 2020 - Paper 6 - Immediate detriment data](#)

Age discrimination remedy data collection - Guidance for administrators and FRAs

FRAs should now work with their administrators to identify all eligible members and consider any processes or additional resources that need to be put in place to identify the data required, in advance of the standard template being provided.

FPS contribution rates 2021-22

Banded contribution rates were introduced to the Firefighters' Pension Scheme 1992 and the Firefighters' Pension Scheme (England) 2006 by Statutory Instruments [2012/953](#) and [2012/954](#) respectively.

These rates have subsequently been amended each year by an amendment order to the schemes. The most recent amendments⁴, which came into force on 1 April 2015, listed the rates applicable from 2015-2016 to 2018-2019, including contribution rates for Special Members of the Firefighters' Pension Scheme (England) 2006.

The Firefighters' Pension Scheme 2015 was introduced on 1 April 2015 by SI 2014/2848. [Regulation 110](#) set out details rates applicable from 2015-2016 to 2018-2019.

For 2019-2020, FRAs were instructed that the 2018-2019 rates would continue to apply, due to the pause of the cost-cap mechanism. These rates will continue to apply for 2021-2022. The [contribution rate factsheet](#) reminds FRAs of the contribution rates set out in the above Regulations and Orders which will apply from 1 April 2021.

Lifetime allowance factsheet updated

The [Lifetime Allowance factsheet](#) for members has been updated in collaboration with the FCWG and is available from our website under [guides and sample documents](#).

February 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 monthly 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.

⁴ [SI 2015/579](#), [SI 2015/590](#)

FPS England SAB updates

SAB LPB effectiveness committee vacancy

We still have a vacancy on the [LPB effectiveness committee](#) for a practitioner representative. The LPB effectiveness committee considers how local pension boards and scheme managers can be supported centrally and has been particularly active in board surveys and developing draft guidance for joint LPB applications.

This position would ideally suit an individual with an administration background who understands scheme governance and has experience of attending LPB meetings.

The required commitment is usually three to four meetings per year, although no committee meetings have taken place during the pandemic. We expect that meetings will resume as we progress through remedy and that most future meetings will be held virtually.

If you are interested in sitting on the committee or would like more information, please email bluelight.pensions@local.gov.uk.

Other News and Updates

Exit payments cap revoked

On 12 February 2021 the government issued the [Exit Payment Cap Directions 2021](#) which disapplied parts of the [Restriction of Public Sector Exit Payments Regulations 2020](#) in England with immediate effect.

As the Directions disapply regulation 3, the exit cap no longer applies in England with effect from 12 February 2021.

HMT issued [guidance on the Directions](#) setting out the expectation that employers should pay the additional sums that would have been paid had the cap not applied for employees who left between 4 November 2020 and 12 February 2021.

On 25 February 2021 [The Restriction of Public Sector Exit Payments \(Revocation\) Regulations 2021](#) were made and laid before parliament and will come into force on 19 March 2021. These regulations confirm the effect of the disapplication Directions made on the 12 February 2021 but are not retrospective.

The regulations contain an obligation for employers to make payments of the difference between what was paid and the exit payments that would have been payable had regulation 3 of the 2020 Regulations not been in force, to affected employees who left during the period between the original regulations coming into force (4 November 2020) and the date of the revocation regulations coming into force. As the cap was disapplied from 12 February 2021, no restricted payments should have been made after this date.

Payments made under the revocation regulations should include interest calculated in accordance with the [Judgment Debts \(Rate of Interest\) Order 1993](#)

As the exit cap had very limited application for the FPS, we do not believe that any relevant exits would have occurred before the cap was disapplied.

For the latest information on exit payments in respect of FRA employees who are members of the Local Government Pension Scheme (LGPS), please visit the LGPS Scheme Advisory Board [public sector exit payments](#) webpage.

HMT consult on implementation of increased normal minimum pension age

The normal minimum pension age (NMPA) is the minimum age at which most pension savers can access their pensions without incurring an unauthorised payments tax charge (unless they are taking their pension due to ill-health). It is currently age 55.

On 11 February 2021 HMT published a [consultation on implementing an increase to NMPA](#) from age 55 to age 57 on 6 April 2028. The consultation confirms that the increase will not apply to those who are members of the Firefighters' Pension Schemes [paragraph 1.12].

The consultation closes on 22 April 2021.

Pension Schemes Bill becomes law

The Pension Schemes Bill 2019/2021 was granted Royal Assent on 11 February 2021 and is now the [Pension Schemes Act 2021](#).

The Act enhances the powers available to the Pension Regulator (TPR) to protect pension savers. On 16 February, David Fairs, Executive Director of Regulatory Policy, Analysis and Advice at TPR, published a [blog examining the new provisions](#).

The Act also drives forward the pensions dashboards agenda, by creating a legislative framework for dashboards and paving the way for the secondary legislation that will make it mandatory for pension providers and schemes to connect to them.

Read more about the [passing of the Pensions Schemes Bill and the impact on pensions dashboards](#) on the Pensions Dashboards Programme website.

PASA publishes GMP equalisation guidance on tax issues

On 15 February 2021, the Pensions Administration Standards Association (PASA) issued [GMP equalisation guidance on tax issues](#). The guidance highlights issues which pension schemes may encounter in adjusting benefits to correct for the inequalities of GMPs and identifies possible approaches for dealing with those issues.

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. 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 9 March 2021. If you would like to join us, please email bluelight.pensions@local.gov.uk.

LGA Annual Fire Conference March 2021

The LGA Fire Conference provides an opportunity to consider key strategic and practical developments that can be expected to impact the fire and rescue sector over the next year.

This year, the conference will be run virtually across four days from **Monday 1 March – Thursday 4 March** with four Zoom webinars and two interactive meeting sessions.

The session dates, timings and links to the booking webpages are below:

[Fire Minister \(Zoom webinar\)](#) Monday 1 March 11.00 – 12.30pm

This session will be an opportunity to hear from Lord Stephen Greenhalgh, Minister of State for Building Safety, Fire and Communities, to discuss the Government's Fire Reform Programme.

[Inspection \(Zoom meeting\)](#) Monday 1 March 2021, 2.00pm – 4.00pm

During this session, Sir Tom Winsor will outline his assessment of the Fire and Rescue Service, following the COVID-19 Inspections and previous State of Fire Report. We will then hear from Roy Wilsher, Chair of the NFCC and Dr Fiona Twycross, Deputy Mayor for Fire and Resilience (London), with their reflections on the future of the service.

[Neurodiversity in the fire and rescue service \(Zoom webinar\)](#) Tuesday 2 March 2021, 11.00am – 12.30pm

This session webinar will focus on neurodiversity in the fire and rescue service, showcasing the work that is already underway and discussing how we can build on best practice. During this session, Dr Nancy Doyle, CEO of Genius Within, will discuss what it means to be neurodiverse, and Dawn Whittaker, CFO, and Tom Glandfield, Firefighter, at East Sussex FRS, will highlight the ways in which we can improve our workplaces and ways of engaging the community to be more inclusive of people who are neurodiverse.

[Building safety – Legislation \(Zoom webinar\)](#) Wednesday 3 March 2021, 11.00am – 12.30pm

[Building safety - Enforcement \(Zoom meeting\)](#) Wednesday 3 March 2021, 2.00pm – 4.00pm

With building safety remaining the largest and most urgent challenge facing the sector, the current work regarding the Building Safety Bill and related enforcement will be explored in this session. There will also be an opportunity to attend an interactive meeting on Building Safety in the afternoon from 2.00pm- 4.00pm and you will need to book on separately for the webinar and the meeting.

[Building community resilience \(Zoom webinar\)](#) Thursday 4 March 2021, 11.00am – 12.30pm

COVID-19 has shaped our lives for the last year, including how our communities think and feel. This session will explore how our communities have been impacted by the pandemic, and the issues that are of key importance to them as we look at recovery, in particular climate change. Many have identified climate change as a particular concern but are unsure of their role in tackling it. This session will explore engaging with our communities on climate change and then look more specifically at the fire and rescue service role.

All of these are stand-alone sessions and therefore you will need to book a place on each session that you wish to attend. The sessions are free to attend for all councils and fire and rescue services who are in LGA membership.

If you have any questions, please contact **Catriona Coyle**, Events Manager, Phone: 020 7664 3385 / 07867 857514 Email: catorina.coyle@local.gov.uk

HMRC

HMRC newsletters/bulletins

On 3 February HMRC published [Pension schemes newsletter 127](#) containing important updates and guidance for schemes. Articles include:

- Managing Pension Scheme service – practitioner registration and authorisation features
- Relief at source – notification of residency status reports for 2021 to 2022
- Gibraltar qualifying recognised overseas pension schemes (QROPS) – new regulations
- Pension flexibility statistics – for period 1 October 2020 to 31 December 2020

Legislation

Act	Title
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2021 c.1	<u>Pension Schemes Act 2021</u>
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SI	Reference title
2021/89	<u>The Pension Schemes (Qualifying Recognised Overseas Pension Schemes) (Gibraltar) (Exclusion of Overseas Transfer Charge) Regulations 2021</u>
2021/93	<u>The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2021</u>
2021/157	<u>The Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2021</u>
2021/197	<u>The Restriction of Public Sector Exit Payments (Revocation) Regulations 2021</u>

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](#)
- [LGPC Bulletins](#)
- [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.

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HOME**

**PROTECT
THE NHS**

 **save
lives**



FPS Bulletin 43 – March 2021

Welcome to issue 43 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended 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.

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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

Table 1: Calendar of events

Event	Date
FPS coffee and catch up	Every second Tuesday from 20 April 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:

[Top Up grant 2021](#): FRAs should be working towards submitting audited 2019/20 and unaudited 2020/21 pensions income/expenditure data as part of this year's top up grant claim to the Home Office.

FPS

[LGA project management approach to age discrimination remedy](#)

We confirmed in [FPS Bulletin 42 – February 2021](#) that HM Treasury (HMT) had published its [consultation response on changes to the transitional arrangements to the 2015 public service pension schemes](#).

We are continuing to work closely with government departments and FPS stakeholders to support FRAs through the implementation of remedy.

To show how we intend to work with the sector, we have produced a [Project Implementation Document](#) (PID) which sets out the scope, deliverables, and high-level timeline for the project.

To sit alongside the PID we have developed a [remedy risk register](#) to track potential challenges to successful implementation and measure our mitigations to these risks.

We will continue to provide regular progress updates through the monthly FPS bulletins.

Remedy data collection guidance

Under deliverable 1b of the PID we are collaborating with software suppliers and the Fire Communications Working Group (FCWG) to develop a standard data collection template.

In working through this process, we have made some changes to the draft data collection guidance issued in February. Changes have been made to the existing 'Identifying affected members' and 'Pay' sections and we have added new sections on 'Added Pension contracts' and 'Ill-health retirement'. Links to clean and tracked versions of the guidance can be accessed below.

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 1.1 clean](#)

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 1.1 tracked](#)

FPS annual update 2021

We confirmed in [FPS Bulletin 42 – February 2021](#) that FPS contribution rates remained unchanged for 2021-22.

All relevant thresholds and rate changes for 2021 are available in the [FPS annual update 2021](#).

All relevant legislation can be viewed on our website under [annual update Statutory Instruments](#).

Top Up grant 2021: Collection of pensions accounting data – action required

On 31 March 2021, the Home Office sent an email to Claim Certifiers and Administrators to advise that FRAs should now be working towards submitting audited 2019/20 and unaudited 2020/21 pensions income/expenditure data as part of this year's top up grant claim. This year's pension accounting data will need to be submitted on the DELTA online data collection system. Notification will be sent via DELTA when the forms go live.

ACTION: In addition to the pensions income/expenditure data to be submitted on DELTA, the Home Office are also requesting that all FRAs provide electronic copies of the trial balances from audited accounts where the pensions income/expenditure data was extracted for completion of the audited 2019/20 DELTA return by email, to include any post balance sheet adjustment events. These should be sent to Anthony.Mooney@homeoffice.gov.uk.

Please note that this information is needed by **Friday 14 May** to enable the relevant checks to be undertaken (and further clarification sought from FRAs where necessary) in time to make the next batch of grant payments in July.

The Home Office will only be able to make Top Up grant payments on any claims that they can validate as being correct and, as such, failure to provide the requested information, or the submission of incomplete information, will delay any grant payments due in July.

Please also note that there are a number of automatic comparison checks on the data that is submitted on DELTA with the data previously submitted. The automatic checks include:

1. a cross-reference check on the audited 2019/20 pension income/expenditure data with the unaudited 2019/20 pension income/expenditure data submitted last year by each FRA. This level of check will be necessary as it will be the last chance to identify errors before the period falls outside the Top Up grant's 3-year financial cycle; and
2. a cross-reference check on the unaudited 2020/21 pension income/expenditure data with the updated forecast 2020/21 pensions income/expenditure data (submitted by each FRA in August 2020).

If the variances breach certain tolerance levels, then the DELTA form will request a short explanation to explain the difference before the form can be submitted.

Please contact Anthony.Mooney@homeoffice.gov.uk if you have any questions.

March 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 monthly in line with the bulletin release dates.

Queries from earlier months have been grey shaded to differentiate from new items. No new queries have been added this month.

FPS England SAB updates

SAB Administration and Benchmarking committee renamed

To achieve the objectives outlined with the remedy PID, the Scheme Advisory Board (SAB) will play a key role by providing governance oversight and engaging with the Board secretariat on policy issues. The [SAB's three committees](#) will be crucial to this process as they provide a direct link between practitioners and the Board.

To better reflect the SAB's legal requirement under [Regulation 4E\(3\)](#) to provide "advice to scheme managers and local pension boards in relation to the effective and efficient administration and management of this scheme and any connected scheme", the Administration and Benchmarking committee has been renamed as the [Scheme Management and Administration \(SMA\) committee](#).

The committee will work closely with the FCWG to support the communications pillar of remedy delivery.

FRA remedy self-assessment survey warm-up

To make sure that the LGA and SAB can offer the right level and type of support, we will shortly be asking FRAs to complete a self-assessment survey to tell us how prepared they feel for implementing age discrimination remedy.

The survey will be completed via Survey Monkey and we will be offering telephone appointments to all FRAs to go through the questions. We expect that this will take place during May 2021.

Other News and Updates

Government publish response to consultation on GMP Indexation in Public Service Pension Schemes

On 23 March 2021, the government published their [response to the consultation on Guaranteed Minimum Pension \(GMP\) Indexation in Public Service Pension Schemes.](#)

The response concludes that the government has decided to discount conversion as a long-term policy solution and make the interim solution the permanent solution for GMP indexation in public service pension schemes. This approach will mean that public service pension schemes will be directed to provide full indexation to those public servants with a GMP, reaching State Pension age (SPA) beyond 5 April 2021.

The accompanying HMT Direction (issued under section 59A of the Social Security Pensions Act 1975) is being finalised and will be published shortly.

Meanwhile, an increase of 0.5 per cent should be applied:

- on 6 April 2021 to the post-5 April 1988 GMP element of a pension in payment (by way of the [Guaranteed Minimum Pension Increase Order 2021](#) [SI2021/163]), and
- on 12 April 2021 to the pre-6 April 1988 GMP element of a pension in payment (by way of the [Pensions Increase \(Review\) Order 2021](#) [SI2021/275]) if the individual reached SPA after 5 April 2016, provided the member's pension increase (PI) date is before 6 April 2020. If the individual reached SPA after 5 April 2016 and their PI date is after 5 April 2020, then a pro-rata increase will apply to the pre-6 April 1988 GMP element of their pension in payment.

TPR consult on new modular code of practice

On 17 March 2021 the Pensions Regulator (TPR) published a [consultation on the draft content for a new code of practice.](#)

The first phase of the new code consists of 51 shorter, topic-based modules. These replace 10 of the existing codes of practice and mainly deal with the governance and administration of pension schemes.

The consultation incorporates changes introduced by the [Occupational Pension Schemes \(Governance\) \(Amendment\) Regulations 2018](#) relating to effective systems of governance and own-risk assessment.

The new code has been designed to be a web-based product. An [early version of the web-based code](#) is available during the consultation. Views are also sought on the design, usability, and navigation of this version of the code.

The consultation closes on 26 May 2021.

Tax Day

23 March 2021 was Tax Day and the government announced a number of tax related policies and published [a range of documents and consultations](#).

Of note is paragraph 3.8 relating to an updated framework to deal with 'McCloud' age discrimination:

3.8 Pensions tax technical updates

The government is finalising the remedy for the age discrimination found in the 2015 public service pension reforms (the 'McCloud case'). In the process of designing the remedy, the government has identified several aspects of the pension tax framework that do not work as intended in all situations and need updating to deal properly with cases of this type. For example, the current framework does not straightforwardly permit individuals to ask their pension scheme to settle annual allowance charges from previous tax years by reducing their future pension benefits ('Scheme Pays'). The government will therefore make technical updates to pension tax rules to remove such anomalies.

PASA guide to preparing for pensions dashboards

The Pensions Administration Standards Association (PASA) has this month released [guidance on getting ready for pensions dashboards](#), with a strong focus on what schemes should be doing now to make sure they have the right data in place.

You can sign up for updates on pensions dashboards at the [Pensions Dashboards Programme website](#).

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. 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.

We will be taking a break over Easter and the next event is scheduled to take place on 20 April 2021. If you would like to join us, please email bluelight.pensions@local.gov.uk.

HMRC

Setting the standard Lifetime Allowance from 2021/22 to 2025/26

At the [Spring Budget on 3 March 2021](#), the government announced that legislation will be introduced in the Finance Bill 2021 to remove uprating in line with the consumer price index for tax years 2021/22 up to and including 2025/26.

The amount of the pension lifetime allowance for tax years 2021/22 up to and including 2025/26 will remain at £1,073,100.

More information can be found in the [HMRC Tax Information and Impact Note](#) published on 3 March 2021.

HMRC newsletters/bulletins

On 4 March 2021 HMRC published [Pension schemes newsletter 128](#) containing important updates and guidance for schemes. Articles include:

- Spring Budget 2021 – annual allowance and lifetime allowance
- Extension to the temporary changes to pension processes as a result of coronavirus
- Managing Pension Scheme service – practitioner registration and authorisation features
- Relief at source – Scottish Income Tax rates, Welsh Income Tax rates, members residency status for relief at source 2021 to 2022, annual return of information, APSS590 declaration
- Increasing the normal minimum pension age – consultation on implementation
- Public service pension schemes – changes to the transitional arrangements to the 2015 schemes

Managing Pension Schemes service

On 16 March 2021 HMRC published a [Managing Pension Schemes Newsletter](#), with information about the new practitioner features available on the Managing Pension Schemes service. This also includes information on migration of pension schemes from the Pension Schemes Online service to the Managing Pension Schemes service and how you can prepare for this.

Given the current limitations, because of COVID-19, HMRC are rethinking how to work with stakeholders to discuss upcoming changes and functionality on the Managing Pension Schemes service and share your questions, feedback and concerns about migration.

[Please let HMRC know](#) if you would be interested in attending a virtual session to discuss migration of pension schemes on to the Managing Pension Schemes service, if you have any specific questions or topics you would like to raise, or if you have an alternative suggestion on how you would like your feedback communicated.

Contracting-out reconciliation update

On 25 March 2021 HMRC published [Countdown bulletin 54](#) with an update on issuing final data cuts to pension scheme administrators.

If your scheme has not received its final data cut and you were appointed administrator before 31 July 2020, contact the Customer Relationship Team by email to CRM.schemereconciliationservice@hmrc.gov.uk.

The deadline for requesting the final data cut is 31 July 2021.

Legislation

SI	Reference title
2021/163	The Guaranteed Minimum Pensions Increase Order 2021
2021/214	The Occupational and Personal Pension Schemes (General Levy) (Amendment) Regulations 2021
2021/267	The Social Security Revaluation of Earnings Factors Order 2021
2021/275	The Pensions Increase (Review) Order 2021
2021/276	The Public Service Pensions Revaluation Order 2021
2021/314	The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2021

Welsh circular W-FRSC(2021) 04.

The Welsh Government has issued a circular outlining the implications of [The Firefighters' Pension Schemes and Compensation Scheme \(Wales\) \(Amendment\) Regulations 2021](#) on Firefighter Pension Schemes in Wales. The Regulations came into force on 23 February 2021.

All circulars issued by the Welsh Government can be accessed via the link below.

<https://gov.wales/fire-circulars>

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](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)
- [Welsh Government Fire circulars](#)

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Results Report

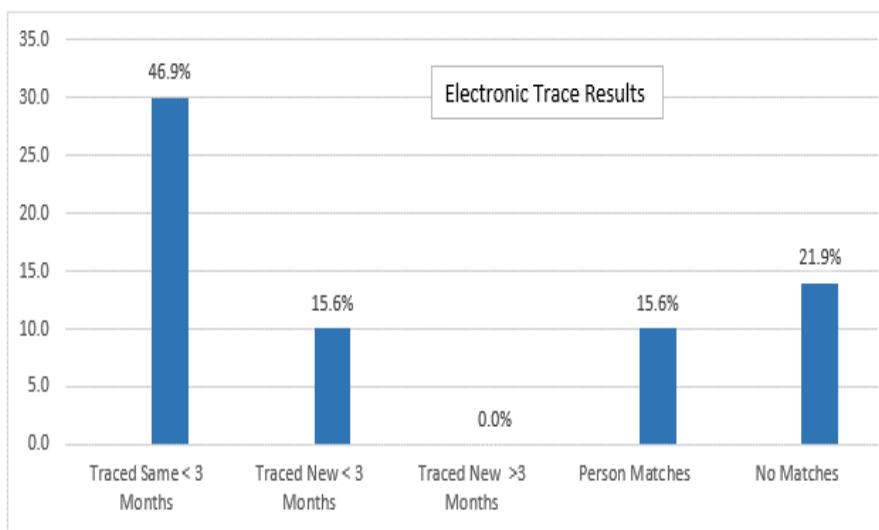
Organisation:	Surrey Fire
Scheme Name:	
Report Date:	14/01/2021
Total Records:	72
No Address:	3
Address Abroad:	4
To Mortality Screening:	72
To Electronic Trace:	64



Mortality and Electronic Trace Results

Mortality Screening	Records	(%)
Total Records	72	100.0%
Excellent	0	0.0%
Good	1	1.4%
No Match	71	98.6%
	72	100.0%

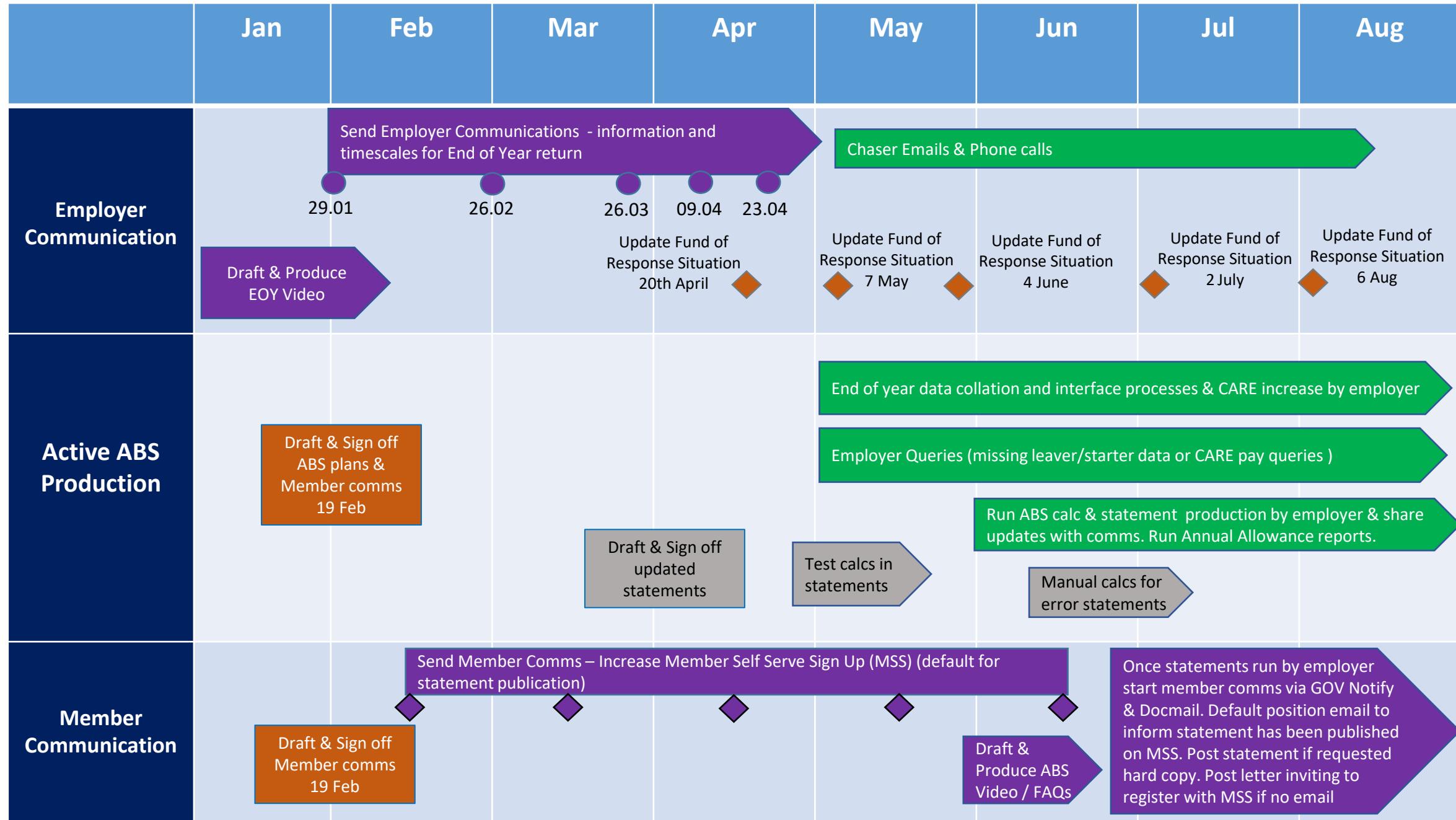
UK Electronic Trace	Records	(%)
Traced Same < 3 Months	30	46.9%
Traced New < 3 Months	10	15.6%
Traced New >3 Months	0	0.0%
Person Matches	10	15.6%
No Matches	14	21.9%
	64	100%



Batch Trace Results	Description
Traced Same <3 Months	CRA data shows your member is still resident at the address you supplied - verification within the last 3 months
Traced New <3 Months	CRA data shows your member is shown at a new linked address - verification within the last 3 months
Traced New >3 Months	CRA data shows your member is shown at a new linked address - verification held is over 3 months old - MEMBER VALIDATION REQUIRED
Person Match	CRA data shows a match for a person with the same name and date of birth as your member but it has not been linked from the address you supplied - FULL TRACE REQUIRED
No Match	No match found for your member - FULL TRACE REQUIRED
Mortality Screening Only	
Member - No Address	No last known address - FULL TRACE REQUIRED
Member - Address Abroad	Abroad address supplied - FULL TRACE REQUIRED

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Active LGPS Annual Benefit Statement Plan



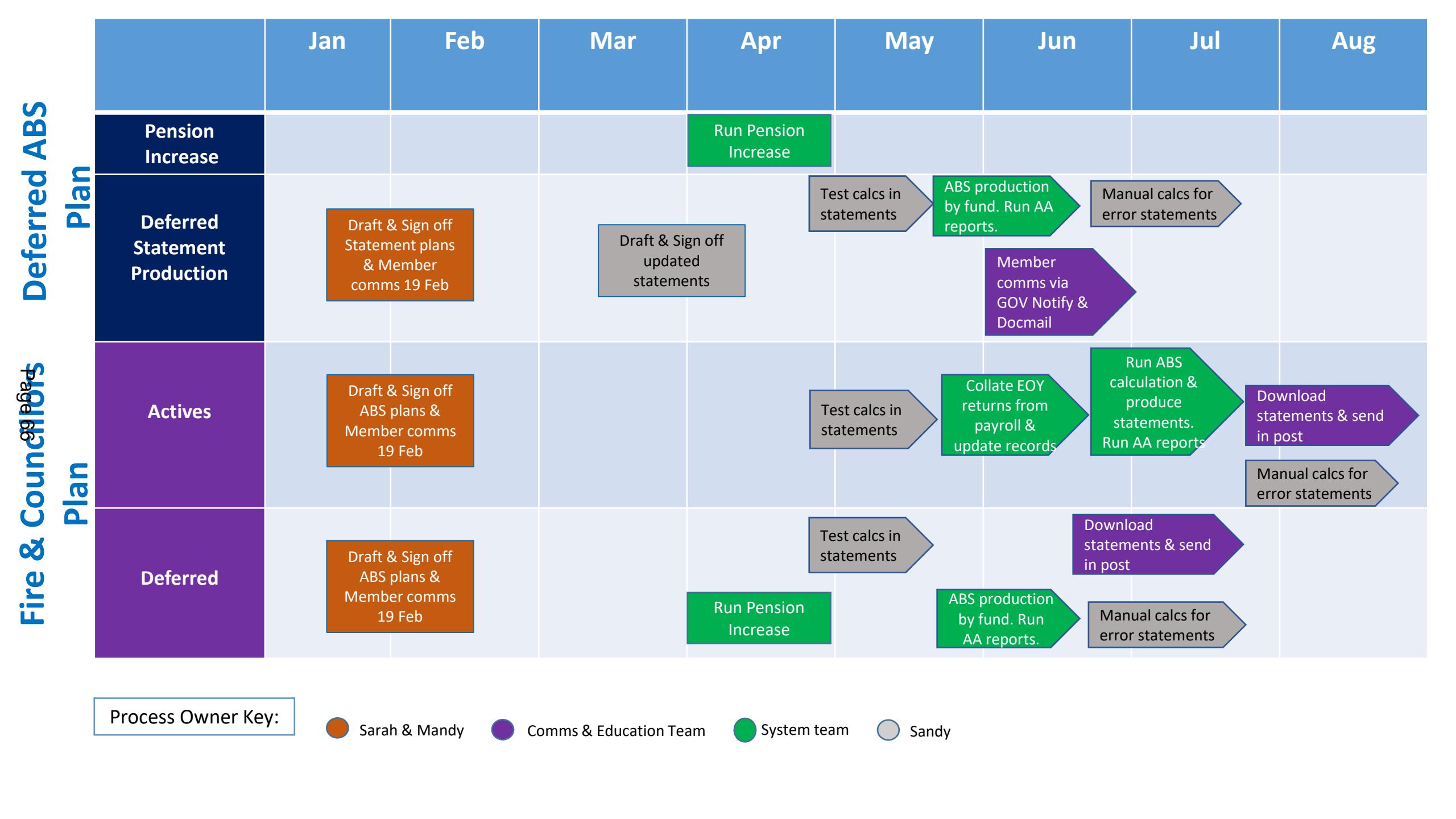
Process Owner Key:

● Sarah & Mandy

● Comms & Education Team

● System team

● Sandy





Surrey Local Firefighters' Pension Board April 2021

Scheme Management Update Report

Introduction:

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

2.0 Scheme Management Activities

2.1 Age discrimination remedy

2.2 Age discrimination remedy consultation response was published on 4 February 2021 by HM Treasury (HMT). The response confirmed that discrimination will be dealt with in two parts. To remove future discrimination from the schemes and ensure equal treatment, all remaining protected members who are not members of FPS 2015 will transfer into the scheme on 1 April 2022. For benefits built up during the period of discrimination (1 April 2015 – 31 March 2022), unprotected and taper members will be credited with final salary build-up in their original scheme. At retirement all members will be able to keep their legacy final salary benefits or choose to receive the CARE benefits that they would have built up in the same period. Further policy decisions are needed in some areas. The Home Office will consult separately on changes needed to the Firefighters' Pension Scheme Regulations to enact the remedy.

2.3 The most recent FPS Bulletin 43 – March 2021 includes the LGA project management approach to age discrimination remedy and the continued close working with government departments and Firefighters' Pension Scheme (FPS) stakeholders to support FRAs through the implementation of the remedy and they have produced a high level Project Implementation Document, setting out the scope, deliverables and high level timeline for the project. The FPS Bulletin was published on 31 March and the Scheme Manager will continue to update the LFPB.

2.3 Training

2.4 Local Firefighters' Pension Board (LFPB) members and delegates took part in a training session provided by the LGA Senior Pension Advisor and the Firefighters' Pension Advisor on 17 March 2021. The training focused on immediate detriment following the judgement on 12 February 2021, regarding transitional protections pensions claims: Schedule 22 appeal. This appeal was based on the argument that the FRAs did not make the legislation which was found by the Court of Appeal to be discriminatory on grounds of age but were bound to follow it because it was the law. The Employment Appeal Tribunal (EAT) held that the FRAs cannot rely on Schedule 22 defence. FRAs now need to determine whether they have necessary information available to them to make decisions and undertake a risk assessment. The training focused on the role of the LFPB to support the Scheme Manager and undertake the relevant level of scrutiny. The Scheme Manager and the Pensions Project Manager joined the training session as well.

2.5 The Scheme Manager has attended a NFCC/LGA Co-hosted seminar on immediate detriment. A second seminar co-hosted by NFCC/LGA took place on 8 April 2021, this included an update on Age Discrimination, the latest legal position and the complexities the Sector are facing. Alongside the guidance and information sharing opportunities the Scheme Manager has met with the current Pensions Administration Team to discuss next steps, the recently published PID will inform the conversations moving forward and the risk assessment will be shared with the LFPB.

2.6 Pension Regulator Six Processes Factsheet

2.5 The first FPS bulletin of 2021 included the release of the latest version of the Pension Regulator six processes factsheet, updated to reflect the results from the Pensions Regulator's most recent Governance and Administration survey. Scheme Managers and LFPB were asked to consider the six key processes factsheet, assess which they have in place and take action to address any gaps. The six processes are:

- Documented policy to manage board members conflicts of interest
- Access to knowledge, understanding and skills needed to properly run the scheme
- Documented procedures for assessing and managing risks
- Process to monitor records for accuracy and completeness
- Process for resolving contribution payment issues
- Procedure to identify, assess and report breaches of the law

2.6 The six key processes are in place in Surrey; however the Scheme Manager would like to request the support of the LFPB to review these processes to ensure

they remain current. It is recommended that the review is undertaken by the LFPB Chair and the Scheme Manager.

3.0 Project Update

3.1 A new Project Manager was appointed at the beginning of March, following a gap in resources from Autumn 2020. The Project Manager is reviewing the activity under the workstreams highlighted in the January 2021 Scheme Managers report:

- 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

3.2 The workstreams will be expanded to include the age discrimination remedy and a Pension Project Board meeting is being planned for April 2021.

3.3 The Pension Administration Project is underway following the review of administration arrangements at the end of last year. Meetings have taken place with the third party provider and contractual negotiations have reached a conclusion and the final contract has been shared for approval.

3.4 Risk Management

3.5 The Local Firefighters Pension Scheme (LFPS) Risk Register has been reviewed and is a standing agenda item on the LFPB (Item 8).

4.0 Summary

4.1 The Board is asked to note the update provided and to advise if they support the review of the six key processes following the publication of the most recent TPR Governance and Administration Survey results.

Report contact: Sally Wilson
Contact details: sally.wilson@surreycc.gov.uk

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Risk Ref.	Risk Description	Risk Owner	Inherent Risk						Control actions	Action by whom	Residual risk						Reviewed on			
			Impact			Total	Likely	Total risk score			Impact			Total	Likely	Total risk score				
			Fin	Service	Reput						Fin	Service	Reput							
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	Mar-21			
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	Mar-21			
F4	Failure to communicate adequately and timely with scheme members	LS/RT	2	4	4	10	3	30	TREAT 1) Ensure the website is updated, that newsletters are published and annual benefit statements when due to be communicated. 2) Develop a COMMS strategy for scheme members in relation to scheme changes 3) Pensions SharePoint Site 4) Pension Admin to send out ABS	LS/Pension Admin/MS	2	4	4	10	2	20	Mar-21			
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	Mar-21			
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	Mar-21			
F8	The lack of available skilled resources coupled with the absence of a coordinated training plan to address knowledge gaps, results in inefficiencies in Pension Admin.	SW	3	4	4	11	3	33	TREAT 1) Project underway to transfer pension administration to a third party. Contract negotiations are concluding and expected transfer date is August 2021. 2) Migration to XPS who do have this knowledge will continue to process key cases using the 2 bank staff we have retained to work on fire	CC/TL	3	4	4	11	3	33	Mar-21			
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. 3) LGA local pension ward training undertaken on 17/03/2021	CC/TL	2	2	4	8	2	16	Mar-21			
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	Mar-21			
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	Mar-21			
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	Mar-21			
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	Mar-21			
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. 3) Following the recent closure of County Hall, Kingston the Pensions Team have temporary accommodation at Fairmount House in Leatherhead. The majority of the team are continuing to work from home, however we do have staff going to the office twice a week to open, scan and index post. In late Summer 2021, the Pensions Team will move to their permanent new location of Dakota. This building will only allow for 60% capacity so we are currently planning what attendance in the office will look like in the future.	TL/CC	2	3	3	8	2	16	Mar-21			
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	2	3	3	8	2	16	Mar-21			
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	Mar-21			
F24	Failure to respond to legal advice for staff of the 10% pensionable pay allowances. This means the employer and employee have 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. 4) Members that are currently in receipt of the 10% allowance are now making regular contributions.	MS	2	2	4	8	4	32	Mar-21			
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	TREAT: 1) A second options exercise is required, for which legal discussions have commenced between central government, the LGA on behalf of FRAAs and trade union legal representatives to consider who is in scope and the details of the settlement exercise. 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. 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.	SW/TL/CC/NM	2	2	4	8	4	32	Mar-21			
F28	Failure to hold personal data securely.	NM	1	1	4	6	4	24	TREAT- 1) Data encryption technology is in place, which allow secure the sending of data to external service providers. 2) Phasing out of holding records via paper files. 3) Pensions Admin records are locked daily in a secure safe. 4) SCC IT data security policy adhered to. 5) SCC carry's out Security Risk Assessments. 6) Pension Fund custodian proactively and reactively identify and respond to cyber threats.	NM	1	1	4	6	2	12	Mar-21			
F29	Transfer to Third Party Administrator with current lack of resources to deliver project and BAU work: 1. Could delay delivery of project work 2. Could have knock on effect on BAU, as resources could be diverted to project work 3. Expertise and knowledge lies with Bank staff. If they leave there will not be an opportunity to pass on this knowledge which may impact the exit process and value and efficiency of the service going forward	TL/CC	2	3	4	9	3	27	TREAT- 1) Knowledge transfer from these particular staff needs to be acknowledged at an early stage in the exit process and actively managed 2) Identify and prioritise project work vs BAU work to ensure maximum value achieved utilising existing limited resource	TL/CC	2	2	4	8	2	16	Mar-21			
F30	Business Operations have raised a risk in respect of Transfer to third party administrator. Currently payroll provide payroll data to the pension administrator on an annual basis to allow pension records to be updated and annual statements produced. The new 3rd party administrator, have mechanisms in place to receive payroll data via monthly returns (iConnect). The transfer of pension administration change comes right at the heart of the testing programme for Unit 4/DB&I delivery. With a SAP freeze in place because of the DB&I programme it is going to be very challenging to design/test/deliver monthly reporting for the new provider for 1 Aug AND design/test/deliver it again for the Unit 4 system in time to go-live with that system in December. Business Operations have reported that there is not the resource to build the new monthly iConnect file. A different report format is required for FPS data than the iConnect file that has been built for LGPS members. It is anticipated that the new monthly file will not be able to be created until Unit 4 is in place in December 2021.	Bus Ops	2	2	3	7	4	28	TREAT- A meeting with business ops and XPS on 22 February agreed that a monthly iConnect file is not required for during the initial data transfer. Surrey payroll will provide an annual end of year return in April 2022 and then begin monthly i-Connect submissions from the new financial year. It will allow time for payroll to build the required monthly reports. Once the contract has been signed with XPS, there will be a workstream focusing on payroll and the unit4 project team.	Finance Reporting	1	1	4	6	2	12	Mar-21			

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