

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

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

Elected Members:

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

* present

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

None received.

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

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

3/19 DECLARATIONS OF INTEREST [Item 3]

None received.

4/19 QUESTIONS AND PETITIONS [Item 4]

None received.

5/19 ACTION TRACKER [Item 5]

Witnesses:

Andrew Marson, Pensions Lead Manager

Key points raised during the discussion:

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

Actions/further information to be provided:

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

Resolved:

The Board reviewed and noted its action tracker.

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

Witnesses:

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

Key points raised during the discussion:

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

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

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

Actions/further information to be provided:

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

Resolved:

The Board noted the content of the report.

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

Witnesses:

David John, Audit Manager
Siva Sanmugarajah, Principal Auditor

Key points raised during the discussion:

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

Actions/further information to be provided:

None.

Resolved:

The Board reviewed the report from Internal Audit.

8/19 RISK REGISTER [Item 8]

Witnesses:

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

Key points raised during the discussion:

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

Actions/further information to be provided:

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

Resolved:

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

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

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

Meeting ended at: 2.04 pm

Chairman

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