



Surrey Fire and Rescue Service

Pension Board Report – December 2021

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Introduction

Implementation Project

XPS are delighted to have been commissioned to provide Administration and Pensioner Payroll services on behalf of Surrey Fire and Rescue Service.

As the Board will be aware, XPS commenced the pensions administration for scheme members on the 1st September 2021 in readiness to paying pensioner member with effect from the October payroll cycle. This implementation was successfully completed following a parallel run of the payroll to ensure the accuracy of the payroll to the penny. A supporting annex for the project closure will be supplied for this Board and will be available subsequent to the production of this document.

Who are XPS?

"XPS Pensions Group is the largest pure pensions consultancy in the UK, specialising in actuarial, investment consulting and administration".

The administration component of the group service provides administration and Pensioner Payroll, our public sector hub is based within Middlesbrough, in the North East of England.

Within the Public Sector, XPS currently administers scheme benefits for 3 Fire and Rescue Authorities, 31 Police Forces and One Local Government Pension Scheme, as well as the Ministry of Justice.

As well as providing day to day and project driven administration, we pay over one billion pounds per year to and on behalf of scheme members.

Whilst we do administrate some private schemes in Middlesbrough, the majority of this activity is delivered from any of the other 14 offices within the UK.

With over 1,500 schemes under contract and circa 1,325 employees, we take our business, and the service we provide to you extremely seriously.

The public sector team (currently excluding the Ministry of Justice), is approximately 100 people strong, all pulling together to provide the best service to you and your scheme members as possible.



Introduction to the Team

Although our specialist Blue Light team in Middlesbrough currently totals 32 members of staff there will be certain individuals that the Pension Board will no doubt hear about more than others. Therefore, below, is an overview of a few who take responsibility for certain functions of the scheme:

- Graeme Hall, Operations Manager – responsible for the administration teams in the Middlesbrough office.
- April Wood, Administration Manager – responsible for leading the Blue Light team. Covers ensuring work is completed to agreed timelines and to a high standard. Reviews and implements development of the team
- Paul Mudd, Governance Manager – attends the Pension Board to present the service report. Responsible for ensuring the Middlesbrough office meets relevant risk and compliance requirements.
- Natalie Bevan, Client Relationship Manager – working with April, Natalie will attend client meetings and be the first port of call on all contract queries.

Overview

Regulations and Guidance

April 2021

LGA issued FPS Bulletin 43

Key points covered are:-

- Updates on age discrimination
- Remedy data collection guidance

Action required

- Top Up Grant 2021 – FRA's should note the Home Office deadline of 4th May for providing this information.

LGA issued FPS Bulletin 44

Key points covered are:-

- FPS Remedy data collection tools, template and notes

Action required

- IDRPs data collection required by 31st May 2021 – data supplied.

May 2021

XPS attended the North East Regional Group – Virtual 19th May 2021

LGA issued FPS Bulletin 45

Key points covered are:-

- FPS Member website launched on 20th May 2021, www.fpsmember.org

Action required

- FRA's to complete SAB remedy self-assessment survey by 30th June 2021

June 2021

The Home Office issued an update to the existing informal and non-statutory guidance on immediate detriment cases – 10th June 2021

LGA issued FPS Bulletin 46

Key points covered are:-

- HM Treasury published two public consultations on 24th June 2021. The consultations seek views on proposals to changes to the cost control mechanism in public service pension schemes and the appropriate methodology for setting the discount rate used in scheme valuations.
- LGA updated the information note for FRA's following the release of the Home Office guidance on immediate detriment.
- LGA's factsheets have been updated in line with new limits or thresholds for 2021/22.

Regulations and Guidance (continued)

July 2021

On 19 July 2021, HM Treasury introduced the Public Service Pensions & Judicial Offices Bill (PSP&JO Bill) to the House of Lords. The PSP&JO Bill sets out in law how the Government will remove discrimination identified by the courts in the way that the 2015 reforms were introduced for some members (i.e. remedy)

LGA issued FPS Bulletin 47

Key points covered are: -

- The introduction of the PSP&JO Bill
- The results from the Pensions regulators' 2020-21 Governance and Administration survey

August 2021

LGA issued FPS Bulletin 48

Key points covered are: -

- Home Office guidance has been published following the announcement of the introduction of Public Service Pensions & Judicial Offices (PSP&JO) Bill
- Update from LGA on the PSP&JO Bill and what it means for the FPS
- The SAB response to HMT consultations seeking proposals to reform the cost control mechanism in public service pensions

September 2021

The Public Service Pensions and Judicial Offices Bill received second reading in the House of Lords on 7th September and will now move to the committee stage (first sitting on 11th October 2021).

LGA issued FPS Bulletin 49

Key points covered are: -

- Two pension award case study
- Second reading of the PSP&JO Bill

October 2021

LGA issued FPS Bulletin 50

Key points covered are: -

- Guidance issued for FRAs in their consideration and adoption of the recent announcement of the Joint statement and agreement to a Memorandum of Understanding in relation to the application of immediate detriment.
- Vacancy on the SAB LPB effectiveness committee
- Consultation response issued from HM Treasury regarding the cost control mechanism, we still await the response to the consultation regarding the discount rate.
- The 2016 valuation can now be concluded, any increases to employer rates from the subsequent 2020 valuation will be delayed until 2024.
- Consumer Price Index statistics released showing an average increase of 3.1%, which is an important measure relating to the uplift of public sector pensions.

Common Data

Surrey Fire			
Data Test	Common data score		
	Max Population	Total Fails	% OK
NINO	2229	1	99.96%
Surname	2229	0	100.00%
Forename / Inits	2229	0	100.00%
Sex	2229	0	100.00%
Title	2229	5	99.78%
DoB Present	2229	0	100.00%
DJS	2229	0	100.00%
Status	2229	0	100.00%
Last Status Event	2229	0	100.00%
Status Date	2229	9	99.60%
No Address	2229	2	99.91%
No Postcode	2229	10	99.55%
Address (All)	2229	30	98.65%
Postcode (All)	2229	37	98.34%
Members with a Fail	2229	22	99.01%
Members with Multiple Fails	2229	30	98.65%

Commentary

Data quality is good and where we have failures here, it is likely that at least for some of them, they can not be rectified.

An example of this is the NI Number – we currently pay pensions to people of all ages. For Surrey Fire and Rescue, your oldest dependent is 100 and the youngest 8.

For children in receipt of a dependents pension, they will not receive a NI Number of their own until they reach age 16. We therefore have to create a temporary NI Number which carries a prefix of TN, this is not a recognised NI Number, and will therefore fail the NI Number quality test. These will naturally be resolved as time passes.

The tests for Title are quite specific. Missing titles will fail, as will some of the lesser-known titles. Occasionally, if a member set has been imported and there are additional spaces within the Title field, these can also cause fails.

Status Date fails are usually found as a consequence of a payroll build, or occasional anomalies with the set up of a member. The system expects to see a natural chain of statue changes with a chronology of dates and if these aren't present / in sequence, we will get a fail.

Address / Post Code Fails can occur either where the data is missing, or, where the address does not meet the standards as dictated by the UK postal service. Typically, we see that the deferred cohort are those with the most missing fails and overseas address can fail as they do not meet UK standards for format / layout.

Although a formal data improvement plan would not ordinarily be required, we will be trying to improve and retest this data on a monthly basis.

Completed Cases Overview

Surrey Fire	Cases completed	Cases completed within target	Cases completed outside target	Cases: % within target
July				
August				
September	24	23	1	95.83%
Quarter 2	24	23	1	95.83%
October	29	26	3*	90%
November				
December				
Quarter 3				
January				
February				
March				
Quarter 4				
Year - Total	53	49	4	92.45%

Completed Cases Commentary

This table is designed to be a very quick, at a glance display of the total cases completed within the year. We only have two month's data at the moment, but this table will grow during the year so you can very easily see a snap-shot of cases completed versus cases completed on time.

* Although there were 3 cases which failed the KPI requirements, only two members were impacted.

Completed Cases by Month

September 2021

Service	Days	Minimum Target (%)	Cases	Within Target	Actual Performance (%)
Death in Service	5	100	0	0	0
Death of a pensioner	5	100	0	0	0
Deferred Benefits	10	90	4	4	100
Divorce Cases	30	100	0	0	0
Estimates	10	100	0	0	0
General	10	100	6	5	83
Processing new entrants	10	90	0	0	0
Refunds	10	100	0	0	0
Retirement Actual	10	100	4	4	100
Retirement Options	10	100	2	2	100
Transfers – in (Calculation)	10	90	0	0	0
Transfers – in (Payment received)	10	90	0	0	0
Transfers – Out (Calculation)	10	100	0	0	0
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	8	8	100

October 2021

Service	Days	Minimum Target (%)	Cases	Within Target	Actual Performance (%)
Death in Service	5	100	0	0	0
Death of a pensioner	5	100	2	2	100
Deferred Benefits	10	90	0	0	0
Divorce Cases	30	100	0	0	0
Estimates	10	100	0	0	0
General	10	100	9	6	67
Processing new entrants	10	90	0	0	0
Refunds	10	100	0	0	0
Retirement Actual	10	100	2	2	100
Retirement Options	10	100	4	4	100
Transfers – in (Calculation)	10	90	1	1	100
Transfers – in (Payment received)	10	90	0	0	0
Transfers – Out (Calculation)	10	100	1	1	100
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	10	10	100

Completed Cases by Month (continued)

Month by Month Commentary

Here we break down the performance of XPS month by month. Each month is split out into its own table with the fifteen main KPI's listed with performance set out against each of them.

You will see that there have been several cases within the general workflow group where we have failed to complete the work within the 10-day allotted timeframe.

A general task is a catch-all for those cases which don't fit into any of the other criteria. These will usually have no impact on the Scheme Member.

I have set out below the failed cases in detail below:

September

- 1) For FPS members in receipt of children's pensions who are over 17 and receiving their pension on the grounds of continuing education we assess ongoing eligibility twice a year. Once around May time to ask if the member intends to continue in education in the following academic year and maintain payment of the pension over the summer break, and once in October time to request confirmation of return to education through the completion of a signed form. In this case we were sent an email from the member's mother that education was continuing, but the evidence was out of date, and we felt it necessary to send one of our forms out. The delay is due to this requirement.

October

- 1) Case inherited by us regarding an ongoing transfer that the member had been attempting to progress since March 2019. When we received it, it was at payment request stage and the member requested an update. After we spoke to the transferring company it seems that the bank details previously provided for Surrey Fire were invalid. The matter was to be raised by the Administration Manager during the ongoing Business Process Mapping meeting where the correct bank details to be used could be verified by the team at Surrey. Unfortunately, this meeting was cancelled, and instead an email request for this confirmation was sent. The task could not be completed on time but not through delays caused by XPS. This transfer is now being progressed.
- 2) This was a complicated case that we inherited relating to a member with multiple periods of both FPS and NFPS membership who had her benefits brought into payment on the grounds of ill health and an injury award granted. A request for a breakdown of the calculations and the background regulations that underpin them was made by Surrey Fire's legal team and the request was dealt with by the person that performed the initial calculations due to the complexity of the calculations. This did result in several days delay, however our view is that the time spent unpicking the service and pay relating to each period of membership to ensure accurate figures are produced in such complicated cases is worthwhile. As a follow up request was made by the legal team two cases were added to the record.

If there were persistent failures within the same category, it could be that we have training, resourcing or communication issue that needs to be addressed. We will always assess the fails across our whole of business (client and site level), when assessing our performance as we occasionally see outside influences impacting our work.

Cases not completed within the required targets are typically completed within one or two working days.

Complaints

Member Type	Description	Date received	Date completed	Comment
Pensioner	Member tried to access Member Self Service but as the system is not live, this did not work. Member frustrated at lack of progress with the online service and had been speaking to a member of staff who was unable to conclude his query and then unfortunately became poorly so didn't update the member as intended.	23/09/2021	24/9/2021	

Projects

Member Self Service

Work is ongoing to allow for online access for all members to view their benefits online.

There are huge benefits in this being completed, not least for the scheme members, but also for Surrey Fire and Rescue and for XPS.

Active Members – Can view their annual benefit statement online, as well as complete estimates of benefits using any amount of pay / leaving data scenarios.

Deferred Members – Can view their deferred pension benefits, whilst having a good point of reference for the Scheme administrator, something which can easily be lost where traditional paper-based communications are only on offer.

Pensioner Members – Anyone in receipt of a pension (retiree / dependent), can view their payslip and P60 online, a history of these payments will build over time.

Next steps – Communications to be approved and activation key to be sent to all members, introducing the online system and providing them with the necessary credentials to do so.

Note: There will be no compulsion placed on a member to sign up to the online service. This is not a one size fits all communications piece and we are very aware that there will be a demographic who simply have no desire whatsoever to get online (generally), or sign up to this service.



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