



## **Surrey Local Firefighters' Pension Board 10 November 2022**

### **Scheme Management Update Report**

#### **Recommendations:**

The Board is asked to note the report and actions taken.

#### **1.0 Introduction:**

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

#### **2.0 Scheme Management Activities**

##### **McCloud - Age Discrimination – Immediate Detriment Remedy**

2.1 The Bank Staff within the Pension Project Team have commenced with the data collection exercise. Whilst good progress has been made, the templates are extensive and time consuming as it requires accessing each individual member's payroll record. The Pension Project Team are waiting for a report from the payroll department to assist with the data collection exercise. This is expected at the end of October 2022.

2.2 Communications have been maintained with XPS regarding the progress of the data collection exercise. The completed data sheets are to be submitted to XPS by 31 December 2022 yet there does appear to be some flexibility with the deadline. The wider Pensions Project Team now have access to the payroll system so are able to assist with this exercise once training from the Bank Staff has taken place.

2.3 The Scheme Manager reported at the July Local Pension Board that the Service had been sent a notice of action by the Fire Brigade Union (FBU) in June 2022 regarding the Service's stance on adopting the Immediate Detriment Framework (IDF) – i.e. not implementing IDF due to the retraction of the MoU from the Home Office. The Service sought legal advice and responded to the notice no reply has been received.

2.4 The Service was notified at the end of October 2022 and via the FBU website, of compensation some of the Service's members are set to receive following their complaints which were logged regarding the closure of the 1992 and 2006 pensions schemes. It is important to note, that not all members will receive the compensation. It will only apply to

those who logged a complaint with the FBU. The Service is awaiting further information as to how the compensation will be paid and who will benefitting from this.

### **10% Pensionable Allowance**

2.5 After the meeting with the FBU in May 2022, the Service has not received any further feedback or details of the legal advice the FBU had gained. The Pensions Team have however, obtained further legal advice from Weightmans's and are now clear on their position.

2.6 A communication was sent to the FBU in September to confirm the Service's position with a deadline of 3 October 2022 provided for feedback to be submitted. No further comments have been received. The Pensions Team will recommence with the project and they will be contacting members of Priority Group One who did not respond and Priority Group Two.

2.7 Calculations have been finalised for all Priority Groups apart from Priory Group Seven. The calculations for this cohort are in progress.

### **Matthews - Modified Scheme – On-Call Access**

2.8 Following on from the responses the Pensions Team provided to the LGA's short survey on 14 June 2022, the Service has been selected by Government Actuary Department (GAD) to provide further information. The LGA has informed the Service that the additional information will be used to: *"estimate the possible impact on scheme liabilities; project scheme cashflows in future years; and develop a calculator for FRAs and administrators to use to process cases during the second options exercise. Additionally, it will help the Home Office in their work to introduce the Matthews remedy including its public sector equality duty, as well as helping us in our work to support the implementation of the second options exercise."*

2.9 The Pensions Team have been provided with a template to provide the information required and progress is already being made. The information needs to be provided to the LGA by 25 November 2022 which is a short timescale for the amount of work that is required. However, the Service expect to be able to complete the exercise within the designated timescales.

### **Pension Policy**

2.10 The Pension Project Team have created an overarching policy for the Service's pensions. Amendments have been made to the policy which is at the final stage of approval before it is placed onto SharePoint for the members of the Service to access.

### **Audit**

2.11 The internal Audit Team at Surrey County Council have completed their audit on the contract between XPS Administration and Surrey Fire and Rescue Service. The overall assurance rating was deemed as 'reasonable' with five medium rated findings.

2.12 Actions have been set for the Pensions Team to achieve, which are due for completion by 28 February 2023.

## **Pension Team Resourcing**

2.13 The business case has been approved for a Pensions Support Assistant to join the team. The advert for this role is now live with the closing date of 28 October 2022. Interviews are due to take place over the week commencing 31 October and 7 November 2022. The role is an 18 month fixed term contract, and will support the Pensions Team over a number of different tasks across all projects.

## **Ill Health Retirement**

2.14 The creation of an ill health retirement policy is underway along with a suite of supporting files for managers and inhouse teams to reference. The ill health retirement flow chart has been updated for current use in addition to the forms to be completed by the member and manager.

2.15 It is hoped the ill health retirement policy will be available for review early in 2023. In the interim quarterly meetings continue to take place with the Employee Relations Partner, Senior Pensions Advisor, Scheme Manager and an external Operational Health colleague.

## **Incorrect pensionable pay and salary details submitted to XPS**

2.16 An extensive review regarding the reasons for the incorrect pensionable pay and salary information passed to XPS from the Service has now been completed. It appears there were no errors with the pensionable pay data for members contributing to the FPS 2015 scheme. However the salary information was inconsistent for members who had contributed to the FPS 1992 scheme before it's tapered closure in April 2022. In some instances, the pay data sent to XPS included Continuing Personal Development (CPD) payments and in other instances it did not. A detailed spreadsheet was submitted by the Senior Business Finance Partner at Surrey County Council to XPS so it could be understood where CPD payments were or were not included in pensionable pay.

2.17 As a result the risk for this item (F37) has been significantly reduced and the Board is asked to remove this from the register.

## **Industrial Action**

2.18 Communications have been sent out to members to update them on the impacts of industrial action and to provide key information as to what this means with respect to their pension and contributions.

2.19 The Pensions Project Team have also been in contact with XPS to ensure that should industrial action take place, all member data is recorded in a manner which can be easily transferred to XPS for updates to the system to be implemented.

## **Pensions Dashboard**

2.20 The Scheme Advisory Board (SAB) sent a communication to remind the Service of the tasks that that need to be completed ahead of the staging date for the Pensions Dashboard – 30 September 2024.

2.21 The tasks to be worked through are:

- Confirming with our staging provider (XPS Administration) how requests will be matched and the means the information will be sent to the dashboard
- Ensuring the infrastructure is in progress to hold and share the information with the dashboard
- Reviewing scheme data to ensure it is up to date

2.22 The Service has received confirmation with XPS Administration that the building of staging software is underway which will meet the requirements of the dashboard. Additionally as part of the McCloud project, member data is being reviewed and updated so it will be accurate by the staging date. Further discussions will take place with XPS in Q1 of 2023 for the next steps the Service needs to adopt.

## Training

2.23 From the training which took place in March 2022 for all Local Pension Board members, a number of actions were highlighted. An update on the progress of these actions has been provided:

<b>Topic</b>	<b>Tasks</b>	<b>Status</b>
McCloud / Age discrimination	<ol style="list-style-type: none"> <li>1. Ensure all remaining members are transferred into FPS 2015 from 1 April 2022 on payroll</li> <li>2. Send cohort-specific 1 April 2022 letter to all members*</li> <li>3. Distribute 'Your questions answered' factsheet</li> <li>4. Monitor optant outs</li> <li>5. Communicate opt in message.</li> <li>6. Update websites and other resources</li> <li>7. Consider possible upcoming IQMP referrals</li> <li>8. Send follow up letter to former protected members</li> <li>9. Collection and cleansing of remedy data</li> </ol>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</li> <li>3. Completed</li> <li>4. Ongoing</li> <li>5. Completed</li> <li>6. To action</li> <li>7. Underway</li> <li>8. Completed</li> <li>9. Underway</li> </ol>
<b>Immediate detriment</b>	<ol style="list-style-type: none"> <li>1. Continue to consider adoption of the framework</li> <li>2. Maintain communication with members and local rep bodies</li> <li>3. Continue data collection work for cases</li> <li>4. Calculate potential liabilities to assess financial risk</li> <li>5. Consider alternative to not adopting Framework</li> </ol>	<ol style="list-style-type: none"> <li>1. Underway</li> <li>2. Underway</li> <li>3. Underway</li> <li>4. Completed</li> <li>5. Completed</li> </ol>
<b>Matthews / modified</b>	<ol style="list-style-type: none"> <li>1. Identify those in scope</li> <li>2. Find out what steps were taken for 2014 exercise</li> <li>3. Provide aggregation numbers to LGA by 31 May 2022</li> <li>4. Respond to consultation (in due course)</li> </ol>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</li> <li>3. Completed</li> <li>4. To action</li> </ol>
<b>Pensions dashboard</b>	<ol style="list-style-type: none"> <li>1. Consider how to connect</li> <li>2. Consider what resources will be needed</li> <li>3. Begin / continue to cleanse data</li> </ol>	<ol style="list-style-type: none"> <li>1. To action</li> <li>2. To action</li> <li>3. Underway</li> </ol>
<b>Abatement</b>	<ol style="list-style-type: none"> <li>1. Review existing policies</li> <li>2. Revisit previous cases if required</li> <li>3. Monitor cases for consistency in decision making and process followed</li> </ol>	<ol style="list-style-type: none"> <li>1. Underway</li> <li>2. To action</li> <li>3. Underway</li> </ol>

## **Risk Management**

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

### **3.0 Summary**

3.1 The Board is asked to note the update provided.

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**Report contacts:** Sally Wilson and Carrie Pearce

**Contact details:** E: [sally.wilson@surreycc.gov.uk](mailto:sally.wilson@surreycc.gov.uk)

E: [carrie.pearce@surreycc.gov.uk](mailto:carrie.pearce@surreycc.gov.uk)

**Sources/background papers:** N/A

**Annexes:** Scheme Advisory Board letter on Pension Dashboards

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