



Surrey Local Firefighters' Pension Board 24 February 2023

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 Subject Matter Experts (SMEs) within the Pensions 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 wider Pensions Team have not been able to assist with the data collection exercise until very recently, as they did not have the required access to the payroll data. This has now been resolved and the team are able to assist.

2.2 The initial deadline for the submission of the data collection exercise was 31 December 2022. However due to the complexities of the task and the impact of the Matthews data collection exercise, the deadline was not met. A revised internal timeline has been agreed with XPS, whereby the Service will submit the first data return by the end of February 2023.

2.3 At the end of October 2022 the FBU website communicated compensation was due to be awarded to union members following complaints which were logged regarding the closure of the 1992 and 2006 pensions schemes. It has been confirmed the FBU will remain as the sole contact for the any members of the Service who placed complaints and compensation will be covered by Government. The final outcome of the compensation to be awarded is yet to be finalised.

10% Pensionable Allowance

2.4 In October 2022, the Pensions Team recommenced the 10% pensionable allowances project. All members in Priority Group 1 who had not paid their contributions, and all members of Priority Group 2 (members who retired since 2014) were contacted in November 2022.

2.5 In Priority Group 2, 20 members out of the 35 members have paid the contributions. Those who are due additional payments, have received or will shortly receive their additional pension payments and increases to monthly pension benefits. Members of Priority Group 3 will be sent their respective letters in February 2023.

2.6 The Finance Team have received regular updates from the Pension Teams of the monies which need to be covered by the Service in relation to this exercise. This project continues to be recorded as a financial risk and monitored through budget monitoring.

Matthews - Modified Scheme – On-Call Access

2.7 The Pensions Team is pleased to report the data collection exercise for the Matthews project was submitted to the LGA by the deadline of 25th November 2022. This was an extensive piece of work with a short turnaround time which took priority over the McCloud data collection exercise. No further updates have been provided to FRA's on this project.

Pension Policies

2.8 The Board is invited to note, the creation of an overarching policy for the Service's pensions. This has now been approved and is available to all active members on the Pensions dedicated SharePoint site. A link to the site was shared with all Board members on 21 December 2022.

2.9 It was identified early 2022 that an abatement policy was required. A first draft of the policy has been completed and will shortly be reviewed by the Scheme Manager and Workforce Working Group.

Audit

2.10 Following from the audit of the contract between XPS Administration and Surrey Fire and Rescue Service, work is already underway to meet the agree actions.

- The KPI scores achieved by XPS have increased significantly since the audit took place and are currently not a concern.
- The KPI list has been reviewed and XPS have confirmed the categories we thought were not included are covered under existing indicators.
- FRA's within the Regional Fire Pension Officer Group have been contacted to ascertain the costs they have been provided with. Of the costs other FRA's are aware of – namely the software costs - these currently seem on par with the fees shared to the Service.
- Conversations surrounding access to data are still underway. However XPS submit data to the Service when requested and the Service is able to access some of its information via the XPS Employer Portal.
- Discussions are still ongoing with the procurement team around including items which were not previously included in our contract – such as accessing our data without requesting reports.

Pension Team Resourcing

2.11 The Pensions Team are pleased to report the role of Pensions Support Assistant has been filled and the new member joined the team on 1 February 2023. The role is on an 18-month fixed term contract, and will support the team over a number of different activities across all projects.

Pensions Dashboard

2.12 A meeting has been scheduled to take place with XPS Administration for early March 2023, to go through the pensions dashboard and work to be completed by the Service ahead of the 30 September 2024 staging date.

The Pensions Regulator (TPR): Public Service Governance & Administration Survey 2022-2023

2.13 The Pensions Team has been notified of TPR's Public Service Governance and Administration Survey. This is the first time this survey has taken place since 2021 due to COVID. The aim of the survey is to determine how schemes are working towards the expected standards. The deadline for the survey is 17 February, which will be completed by the Pensions Team and the Chair of the Local Pension Board.

Communications

2.14 The following communications have been sent since the last local Pension Board meeting took place:

- 10% Allowance Project – letters were sent to the remaining Priority Group 1 members and all members of Priority Group 2. Informing the cohorts of the pension contributions which need to be paid. Sent via letter on 23 November 2022.
- Factors to note when considering opting out of the Firefighters Pension Scheme – sent via SFRS News on 25 November 2022.
- Retiring in 2023 and the McCloud legislation - sent via SFRS News on 9 December 2022.
- Details of the new Pensions Information Page on SharePoint – sent via SFRS News on 20 January 2023.

Guaranteed Minimum Pension (GMP) Reconciliation

2.15 The Service has been liaising with Mercer and XPS in order to finalise the GMP project. It is hoped the reconciliation (the project), will be completed by the end of 2023. Confirmation of this is pending from Mercer.

Training from the LGA

2.16 Training for the members of the Local Firefighter's Pension Board has been scheduled for April 2023. The LGA will provide an update to the Board of key issues facing the industry.

2.17 From the training the LGA delivered in March 2022 to the Board, a number of actions were highlighted. These actions are applicable to all FRA's in England. An update of the progress the Service has made on the actions can be found on the next page:

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

Risk Management

2.18 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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Sources/background papers: N/A
Annexes: N/A