



Minutes

Local Pension Board

Date: 05 July 2019

Time: 12 noon

Venue: Fire and Rescue Headquarters, Birkenshaw

Present: Paul Drinkwater (Scheme Member representative), Councillor Peter Harrand (Scheme Manager representative – items 1 – 10 only Min nos. 1 – 10 refer), Chris Lawton (Scheme Member representative) and Councillor Angela Wenham (Scheme Manager representative)

In Attendance: Claire Johnson - Technical Adviser and Clair Alcock (Firefighters' Pensions Senior Adviser – Local Government Association)

Apologies: Ian Brandwood – Chief Employment and Services Officer

1 Appointment of Chair and Vice chair

RESOLVED

- a) That Councillor Peter Harrand, Scheme Manager representative, be appointed Chair of the Local Pension Board for the 2019 – 20 year; and
- b) That Chris Lawton, Scheme Member representative, be appointed Vice chair of the Local Pension Board for the 2019 – 20 year.

2 Membership of the Local Pension Board 2019 – 20

Members received a report which advised of the membership of the Board for 2019 – 20 as follows;

Scheme Member representatives

- Paul Drinkwater
- Chris Lawton

Scheme Manager representatives

- Councillor Peter Harrand
- Councillor Angela Wenham

3 Urgent items

FPS Bulletin 21

This had been received after the despatch of the agenda papers and would be considered at agenda item 13 (Min no. 13 refers).

SAB guidance note – application to form a Joint Board

This had been received after the despatch of the agenda papers. Members considered the content of the note.

RESOLVED

That the content of the guidance note from the Scheme Advisory Board on the procedures for application to form a Joint Board currently had no relevance for the West Yorkshire Fire and Rescue Authority Local Pension Board.

4 Admission of the public

There were no items which required the exclusion of the public and press.

5 Declarations of interest

There were no declarations of disclosable interest in any matter under consideration at the meeting.

6 Minutes of meetings held on 11 January and 18 April 2019

RESOLVED

That the Minutes of meetings held on 11 January and 18 April 2019 be signed by the Chair as a correct record.

7 Terms of Reference – annual review

Consideration was given to a report of the Chief Legal and Governance Officer to review the Terms of Reference for the Local Pension Board which had been adopted by the West Yorkshire Fire and Rescue Authority.

RESOLVED

That no proposals for amendment be made.

8 Local Pension Board Annual Report 2018 – 19

Members considered a report of the Chief Legal and Governance Officer which advised that the Local Pension Board Annual Report 2018 – 19 had been formally submitted to the 5 July 2019 meeting of the Fire Authority's Human Resources Committee which had confirmed that the Board had acted within its Terms of Reference and in accordance with good governance principles during the 2018 – 19 municipal year.

RESOLVED

That, subject to the correction of a typographical error in the Annual Report 2018 – 19, the report be noted.

9 Local Pension Board Activity report

Members considered a report submitted by the Chief Employment Services Officer concerning performance in key areas for the period 1 December 2018 to 31 May 2019.

Members raised the following specific issues;

- the opt-out process
- availability of on-line pension assessment
- data reliability (particularly for deferred members)

and were advised that membership had increased by 49 due to the intake of the new recruits.

RESOLVED

- a) That the report be noted,
- b) That the Scheme Manager be encouraged to pursue as a matter of some urgency the provision of on-line assessment for pension scheme members, and
- c) That future activity reports include information on the number of Grey Book employees in West Yorkshire Fire and Rescue Service to improve scrutiny in terms of the number / type of scheme members.

10 Scrutiny and review

The Chief Employment Services Officer submitted information on the following areas for scrutiny and review;

- Pension Risk and Breaches policies – implementation of new policies
- Discretions made by the Scheme Manager – used on two occasions since the date of the last meeting
- Breaches register – no additional breaches to report
- Pension Risk register – the format of this would be reviewed prior to the next meeting of the Board. Members were advised that the SCAPE and Appeal Court pensions issues were now included on the corporate risk register
- Compliance deadlines – detail of the different compliance deadlines throughout a calendar year

RESOLVED

That the report be noted.

11 Pension Ombudsman – update

Members received a report of the Chief Employment Services Officer which presented one relevant sample case reviewed by the Pension Ombudsman since the date of the last meeting as follows;

- Mrs N's estate – ill health benefits

To assist with an analysis of how the Pension Scheme Manager would rule in any similar case, Members were reminded that the Authority was a signatory to the Dying to Work Charter which, in effect, gave the Scheme Manager no discretion in the application of ill health benefits in any cases such as the one herein considered.

RESOLVED

That the report be noted.

12 Legislative update

The Chief Employment Services Officer submitted a report which provided an update with regard to the following;

- Transitional protections – final decisions and government guidance on how the appeal court ruling might be applied (and which may impact upon West Yorkshire Fire and Rescue for whom some Firefighters were still transitioning into the 2015 scheme) were still awaited
- Revised GAD factors – assurance had been received from West Yorkshire Pension Fund that the backlog and stockpile of cases that had accrued pending receipt of the revised GAD factors had been prioritised
- Pensionable pay – Members were advised that the Scheme Manager had been applying the legislation correctly and that any changes to the pensionable element of duties had been deferred by Management Board pending further information. An update would be provided to the next meeting of the Local Pension Board.
- Automatic enrolment – in accordance with the Pension Act 2008 the triennial enrolment process would be initiated by Scheme Manager in 2019. 59 employees were eligible for reenrolment into a Firefighter Pension Scheme.

Members were further advised of the recent Government imposed restriction on exit payments (£90k per employee) – it was not thought this would affect many members of the Firefighters' Pension Schemes.

RESOLVED

That the report be noted.

13 Firefighter Pensions England bulletins update

Consideration was given to the content of bulletins 16 – 21, which had been circulated to Members upon issue by the Scheme Advisory Board (SAB) with the exception of the most recently issued Bulletin 21 (Min no. 3 refers)

The following issues were highlighted;

- Suspension of cost cap rectification process
- Significant increase in employers' contributions
- Assurance for the Local Pension Board that the revised GAD factors had been implemented by the Scheme Manager
- Effect on pension due to divorce, career break, resignation
- Pension debit adjustment and pension credit factors – Members were advised that this was still in the process of implementation
- Two pension award (split pension entitlement)
- Pensionable pay guidance

RESOLVED

That the content of Bulletins 16 – 21 be noted.

14 Scheme Advisory Board

RESOLVED

That the Minutes of the Effectiveness Committee meetings held on 23 January and 18 April 2019 and the Minutes of the Scheme Advisory Board of a meeting held on 14 March 2019 be noted.

15 West Yorkshire Pension Fund – key performance indicators

Consideration was given to a report of the Chief Employment Services Officer which advised of West Yorkshire Pension Fund (WYPF) performance in key areas for the periods 1 April 2018 – 31 March 2019 and 1 April 2019 – 31 May 2019.;

Members were advised that there had been three areas of concern during the 2018 – 19 year in particular as follows;

- deferred benefits set up on leaving fire
- Pension estimates, and
- Transfer-in quotes

Figures for the current year raised the following areas of concern where targets were not being met;

- Deferred benefits
- New spouse pension set-up
- Spouse potential, and
- Transfer-in quotes

RESOLVED

That the performance of West Yorkshire Pension Fund in key areas be noted.

16 Local Pension Board – training session

Clair Alcock, Blue Light senior pension adviser at the Local Government Association (LGA), attended the meeting to provide a brief updated training session to Members of the Local Pension Board.

Chair

AGENDA ITEM NO 4

DRAFT

EXCLUSION OF THE PUBLIC - SECTION 100A LOCAL GOVERNMENT ACT 1972

RESOLVED : That the public be excluded from the meeting during the item of business specified below as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this time, there would be disclosure to them of exempt information of the description respectively specified.

AGENDA ITEM NO.	TITLE OF REPORT	MINUTE NUMBER (to be added)	Description of exempt information by reference to the paragraph number in Schedule 12a of the Local Government Act 1972
None			

Disclosure of Disclosable Pecuniary Interests (DPI's)

- 1 Members present at the meeting who are aware that they have a DPI in a matter being considered must disclose the details of that DPI to the meeting unless it is already recorded on the Authority Members DPI Register.
- 2 Any Member with a DPI may not participate in any discussion or vote and under Authority Standing Orders is required to leave the meeting during any discussion or vote unless they have been granted a dispensation from exclusion from the meeting by the Executive Committee or in certain circumstances by the Monitoring Officer before any consideration of the item by the committee starts.

Footnote:

- (1) Members are referred to the Authority Constitution and to the provisions of sections 30-34 of the Localism Act 2011 and to the statutory regulations made thereunder which define the meaning of a DPI.
- (2) Members are reminded of the potential criminal sanctions and disqualification provisions under Section 34 of the Act applicable to breaches of disclosure and non- participation requirements.
- (3) A Member with a sensitive DPI need not disclose the details of that interest with the Monitoring Officers agreement but must still disclose the existence of a DPI and must withdraw from the meeting.

Application for dispensation to vote

Attached is a blank "application for dispensation" form which Members of the Committee may use to seek the grant of an individual dispensation on any item on the agenda.

Where possible, the completed form should be returned to the Monitoring Officer in advance of the meeting so that he can consider whether a dispensation should be granted. Block dispensations affecting a significant number of Members will be referred to the Executive Committee for approval, if time permits.

West Yorkshire Fire and Rescue Authority

Sections 31 and 33 Localism Act 2011

Member Participation & Voting Dispensation Request

Section for completion by Member

Name of Member:

Correspondence/ email address:

Dispensation applied for: (1) Participation (2) Voting (3) Both

Details of Meeting/agenda Item:

Full details of why you are applying for a dispensation:

Signed:

Dated:

Please send your application to the Monitoring Officer at Fire & Rescue Service
Headquarters Birkenshaw BD11 2DY – Michael.barnes@westyorkfire.gov.uk

Section for completion by Monitoring Officer:

No in Register:

Received on:

Granted/ Refused

Reasons for refusal / Statutory Grounds relied upon for grant:



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Activity report

Local Pension Board

Date: 31 January 2020

Agenda Item:

6

Submitted By: Chief Employment Services Officer

Purpose	To inform Members of performance in key areas for the period 1 June 2019 to 30 November 2019
Recommendations	To inform Members of performance in key areas for the period 1 June 2019 to 30 November 2019
Summary	<p>This report informs Members of the Authority's key areas relating to the Local Pension Board as follows;</p> <ul style="list-style-type: none">Number of pension scheme members across the various schemesNumber of new pension scheme membersNumber of retirees in the periodNumber of pensioner members of each schemeNumber of deferred members of each schemeNumber of IDRPs stage 1 and 2 complaintsNumber of Opt Outs from the pension schemesNumber of pension estimates requested and processed

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:
Claire Johnson
Claire.Johnson@westyorksfire.gov.uk
01274 65 5811

Background papers open to inspection: None

Annexes: None

1 Introduction

1.1 This report informs Members of the Authority's key areas relating to the Local Pension Board as follows;

- Number of pension scheme members across the various schemes
- Number of new pension scheme members
- Number of retirees in the period
- Number of pensioner members of each scheme
- Number of deferred members of each scheme
- Number of IDRPs stage 1 and 2 complaints
- Number of Opt Outs from the pension schemes
- Number of pension estimates requested and processed

2 Information

2.1 **Number of pension scheme members across the various schemes at 30 November 2019**

1992 Fire fighters Pension Scheme	85
2006 Fire Firefighters Pension Scheme	4
2015 Firefighters Pension Scheme	902
Fire Fighters Modified Scheme	17

2.2 **Number of pensioner members of each scheme at 30 November 2019**

1992 Fire fighters Pension Scheme	2385
2006 Fire Firefighters Pension Scheme	7
2015 Firefighters Pension Scheme	16
Fire Fighters Modified Scheme	33

2.3 **Number of deferred members of each scheme at 30 November 2019**

1992 Fire fighters Pension Scheme	99
2006 Fire Firefighters Pension Scheme	93
2015 Firefighters Pension Scheme	88
Fire Fighters Modified Scheme	18

2.4 **Number of 1992 FPS Scheme members with tapered protection**

At 30 November 2019, there are **75** 1992 FPS members that have tapered protection in the scheme, before transitioning into the 2015 CARE scheme.

2.5 **Number of 2006 NFPS Scheme members with tapered protection**

At 30 November 2019, there are **7** 2006 NFPS members that have tapered protection in the scheme, before transitioning into the 2015 CARE scheme.

2.6 Number of new pension scheme members

In the period 1 June 2019 to 30 November 2019, there has been **28** new 2015 CARE pension scheme members. Please note that this does not include members that have transitioned due to taper protection.

This can be broken down into the following demographic:

Age	Male	Female
18 - 30	13	1
31 - 40	9	0
41 - 50	4	0
51 - 55	1	0
56 - 60	0	0

Total	27	1
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2.7 Number of retirees in the period

In the period 1 June 2019 to 30 November 2019, **38** members retired to pension.

2.8 Number of IDRPs stage 1 and 2 complaints

In the period 1 June 2019 to 30 November 2019, there has been **1** IDRPs complaint at stage 1 and **0** at stage 2.

2.9 Number of Opt Outs from the pension schemes

In the period 1 June 2019 to 30 November 2019, **64** members opted out of the pension scheme. This can be broken down into the following demographic:

Age	Male	Female
18 - 30	1	0
31 - 40	41	3
41 - 50	13	1
51 - 55	3	1
56 - 60	1	0

Total	59	5
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3 Pension Estimates

Number of pension estimates processed for the period 1 June 2019 to 30 November 2019
– **39**

4 Summary of New Recruits

In the period 1 June 2019 to 30 November 2019, we appointed **16** Wholetime Firefighter Trainees and **12** On Call Firefighter Trainees. Of those, **0** recruits chose to opt out of the pension scheme.

The recruits can be broken down into the following demographic:

Age	Male	Female	Wholetime (WT) / On Call (OC)
18 - 30	13	1	6 WT, 8 OC
31 - 40	9	0	8 WT, 1 OC
41 - 50	4	0	2 WT, 2 OC
51 - 55	1	0	0 WT, 1 OC
56 - 60	0	0	0 WT, 0 OC
Total	27	1	16 WT, 12 OC

5 Grey Book Head Count

The total number of grey book employees at 30 November 2019 were **1125**. Of these, **1008** are current pension scheme members.

6 Auto Enrolment Statistics

The auto-enrolment exercise ran in period 4 (June 2019). **71** employees were auto-enrolled back into the 2015 Scheme.

Of the **71** employee's, **64** subsequently opted out of the 2015 Scheme.



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Scrutiny and review

Local Pension Board

Date: 31 January 2020

Agenda Item:

7

Submitted By: Chief Employment Services Officer

Purpose

To scrutinise and review the following:

- Discretions made by Scheme Manager
- Breaches register
- Pension Risk register
- Compliance deadlines

Recommendations

That the report be noted and further action is taken as identified

Summary

It is one of the requirements of the Local Pension Board that members scrutinise areas relevant to the administrations of the Firefighters' Pension Schemes.

This report identifies four areas of scrutiny.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Officer
T: 01274 655811
E: Claire.johnson@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex A – Discretions made by Scheme Manager
Annex B – Breaches register
Annex C – Pension risk register
Annex D – Compliance deadlines

1 Introduction

- 1.1 Local Pension Board members are to be conversant with Firefighter pension scheme rules and other administration policies relevant to the schemes.

2 Information

- 2.1 This report covers four areas for scrutiny and review as follows:
- Discretions made by Scheme Manager
 - Breaches register
 - Pension risk register
 - Compliance deadlines
- 2.2 Members are invited to consider the remaining annexes and consider if any further action would be appropriate.

3 Financial Implications

- 3.1 There are no financial implications arising from this report.

4 Legal Implications

- 4.1 The Chief Legal and Governance Officer has considered this report and has no observations to make at the time of submission, but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

5 Human Resource and Diversity Implications

- 5.1 There are no HR or Diversity implications arising from this report.

6 Health, Safety and wellbeing implications

- 6.1 There are no health, safety or wellbeing implications arising directly from this report.

7 Environmental implications

- 7.1 There are no environmental implications arising directly from this report.

8 Your Fire and Rescue Service priorities

- 8.1 This report supports all the 2019 – 22 priorities.

AGENDA ITEM No.7 – ANNEX A

Discretions made by Scheme Manager

Since the last Local Pension Board meeting the Scheme Manager has been asked to exercise their discretion on three occasions.

Extension of time limits for transfer in request

Background: The individual didn't explore transferring their previous service when they first joined.

As the individual has worked for us for longer than 12 months they have no automatic right to the transfer, this is however something that the Scheme Manager can consider allowing under the regulations.

Outcome: As there were no direct cost implications for WYFRS and an immediate benefit to the pension scheme the Scheme Manager saw no reason to not approve.

Suspension of pension due to failure to provide details of DWP benefits

Background: It is a requirement for all pensioners who are in receipt of an injury pension to confirm if they also receive DWP benefits. This is because DWP benefits can affect the amount of injury pension they are entitled to.

WYPF regularly write to pensioners who have an injury pension and ask them to declare how much (if anything) they receive from the DWP.

In July/ August 2019 WYPF wrote to a number of pensioners, however, 3 individuals didn't respond, this is despite sending a number of reminders as well as trying to call them.

WYPF suggested that we exercise our discretion and suspend the pensions of the 3 concerned until we could ascertain that they are entitled to the benefits they are in receipt of.

Outcome: The Scheme Manager agreed to WYPFs suggestion. Since then all 3 pensioners have complied with WYPFs request, their pensions have been reinstated to the correct level and backdated where necessary.

Suspension of higher tier proportion of ill health pension due to failure to comply with ill health review process

Background: Since August 2019 we have been attempting to establish whether a retired Firefighter still meets the criteria to retain their ill health pension. Despite attempting to contact the individual on a number of occasions they have failed to comply with the review process.

Outcome: The Scheme Manager's representative agreed to the suspension of the higher tier proportion of the individual's ill health pension. This will be reinstated and backdated should the reviewing IQMP agree that they still meet the higher tier criteria.



Secretariat: bluelight.pensions@local.gov.uk

Breach Assessment Template

Date of assessment

Assessment Date: 3rd October 2019

Assessment Panel:

Ian Brandwood, Chief Employment Services Officer. Claire Johnson, Pensions Officer

Introduction

Production of Annual Benefit statements in-line with statutory deadline of issuing to members.

West Yorkshire Pension Fund are the scheme administrators for WYFRS.

Identified

E-mail received on the 13th August from WYPF, informing of a breach and that active RDS Modified scheme members are affected and will not receive ABS by the statutory deadline of 31st August 2019.

Assessment

[Using the [TPR guidance](#) comment on the four areas and score red, amber or green

	Cause	Effect	Reaction	Wider Implications
Red	RDS Modified members ABS not issued to members by statutory deadline. This was due to issues with the software provider WYPF use. The software provider didn't supply the necessary calculations which resulted in WYPF having to code the system from scratch.	Although only a small number of members have been affected (27 in total which represents 2.83% of our members), this represents 100% of our active RDS employees.		
Amber			Action has been taken to correct the breach, WYPF working with CIVICA to provide Modified calculations. WYPF confirmed statements will be issued no later than October 2019.	<p>Although the breach impacts only a small number of members, the same group of members were also affected in 2018. It was expected that the software system would be in place for 2019. However, a similar problem has been encountered.</p> <p>We understand that great improvement has been made by WYPF and that the same issues shouldn't occur in 2020. However, we feel that as this issue hasn't been resolved from previous years it is material and requires reporting to TPR.</p>
Green				

Action

It is felt that although the breach impacts only a small number of RDS modified members – 27 in total, because this was a breach in a previous year, it is a necessary step to report to TPR.

Reassurance has been sought from WYPF. They have confirmed that they have been working on the coding and aim to have the outstanding statements issued by October 2019.

This is an area which the Local Pension Board will pay close attention to for 2020 ABS production. The item will be added to WYFRS's risk register where the LPB can actively monitor at future meetings.

History / Frequency

Statutory deadline missed for RDS Modified ABS's in 2018.

Decision

Report as material breach	Y
Recorded as breach	Y

Assessed by: Ian Brandwood, Chief Employment Services Officer.
Claire Johnson, Pensions Officer

Date of assessment: 03/10/2019

Board Review: Forwarded to LPB Chair on 08/10/2019.

Tabled at Board Meeting: TBC

Agreed by board:

Compliance Breach Register

Breach No.	Breach Advice Date	Breach Details	Reported to	Investigation details, progress, outcome, corrective action, confirmation Breach permanently rectified? Reason not reported to TPR
1	October 2019	Failure to comply with TPR deadline to issue all 2019 ABS' by 31 August 2019	TPR, Scheme Manager, LPB Chair & LPB (January 2020)	<p>E-mail received on the 13th August from WYPF, informing of a breach and that active RDS Modified scheme members are affected and will not receive ABS by the statutory deadline of 31st August 2019. This was due to issues with the software provider WYPF use. The software provider (CIVICA) didn't supply the necessary calculations which resulted in WYPF having to code the system from scratch.</p> <p>Although only a small number of members have been affected (27 in total which represents 2.83% of our members), this represents 100% of our active RDS employees.</p> <p>Although the breach impacts only a small number of members, the same group of members were also affected in 2018. It was expected that the software system would be in place for 2019. However, a similar problem has been encountered.</p> <p>After consultation with the TPR breach framework the Scheme Manager took this constituted a material breach and therefore should be reported to TPR.</p>
2	August 2018	Failure to comply with TPR deadline to issue all 2018 ABS' by 31 August 2018	Scheme Manager & LPB (October 2018)	<p>A small number (15) of annual benefit statements were not produced by the compliance deadline (31/08/2018). The cases all relate to tapered modified members. WYPFs software couldn't cope with these cases and ABS' had to be produced manually.</p> <p>WYPF confirmed that these were all sent by 30/09/2018.</p> <p>This issue was discussed at our LPB meeting in Oct 2018. After consultation of the TPR breach framework it was agreed that this didn't represent a material breach (a small number were affected and the issue had been resolved in a reasonable timeframe).</p> <p>It was therefore decided to not report to TPR.</p>

Breach No.	Breach Advice Date	Breach Details	Reported to	Investigation details, progress, outcome, corrective action, confirmation Breach permanently rectified? Reason not reported to TPR
3	April 2015 – April 2018	Incorrect % deduction of pension contributions	Scheme Manager & LPB (October 2018)	<p>Full audit conducted on all employees Audit verified by secondary source 11 issues identified Payment plan agreed with Management, Unions and individual to recoup the underpayment All monies have now been transferred to the pensions account</p> <p>This issue was discussed at our LPB meeting in Oct 2018. After consultation of the TPR breach framework it was agreed that this didn't represent a material breach (the error has now been rectified and the pension account balances).</p> <p>It was therefore decided to not report to TPR.</p>

The Pensions Regulator

Breaches of Law (All other breaches)

Your scheme details:
The Firefighters' Pension Scheme 2006 - RDS Modified

1. Introduction

The details on the following pages are taken from the Breach of Law: All other breaches submitted on 08 October 2019 at 10:35 AM.

These details were submitted by Ms Claire Johnson.

2. Scheme details

Scheme details	
Scheme name	The Firefighters' Pension Scheme 2006 - RDS Modified
PSR number	10276824
Benefit type	Defined benefit
Address	West Yorkshire Fire & Rescue Service Oakroyd Hall, Bradford Road Birkenshaw BRADFORD West Yorkshire BD11 2DY United Kingdom

3. Breach of law details

Breach of law details	
Breach details	
Breach date	31/08/2019
Details of the breach	<p>Production of Annual Benefit statements in-line with statutory deadline of issuing to members. West Yorkshire Pension Fund are the scheme administrators for WYFRS.</p> <p>E-mail received on the 13th August from WYPF, informing of a breach and that active RDS Modified scheme members are affected and will not receive ABS by the statutory deadline of 31st August 2019. This was due to issues with the software provider WYPF use. The software provider (CIVICA) didn't supply the necessary calculations which resulted in WYPF having to code the system from scratch.</p> <p>Although only a small number of members have been affected (27 in total which represents 2.83% of our members), this represents 100% of our active RDS employees. Although the breach impacts only a small number of members, the same group of members were also affected in 2018. It was expected that the software system would be in place for 2019. However, a similar problem has been encountered.</p> <p>We understand that great improvement has been made by WYPF and that the same issues shouldn't occur in 2020. However, we feel that as this issue hasn't been resolved from previous years it is material and requires reporting to TPR.</p> <p>This is an area which the Local Pension Board will pay close attention to for 2020 ABS production. The item will be added to WYFRS's risk register where the LPB can actively monitor at future meetings.</p>
Rectifying the breach	
Has this breach been rectified?	No
What steps are being taken to rectify the breach?	Action has been taken to correct the breach, WYPF working with CIVICA to provide Modified calculations. WYPF confirmed statements will be issued no later than 31 October 2019.
What are the timescales for completion?	31 October 2019
Additional breaches or any other information	
Breach details or additional information	None

4. Trustee/Scheme Manager details

Trustee/Scheme Manager details	
Company name	West Yorkshire Fire and Rescue Service
Title	Mr
First name	Ian
Surname	Brandwood
Type of trustee	Unknown
Direct telephone number	01274 655709
Email address	Ian.Brandwood@westyorksfire.gov.uk
Address	West Yorkshire Fire & Rescue Service Oakroyd Hall, Bradford Road Birkenshaw BRADFORD West Yorkshire BD11 2DY United Kingdom

5. Employer details

Employer details	
Employer name	West Yorkshire Fire and Rescue Service
Employer trading status	Active
Companies house number	None
Registered charity number	None
Title	Miss
First name	Claire
Surname	Johnson
Direct telephone number	01274 655811
Email address	Claire.johnson@westyorkfire.gov.uk
Address	West Yorkshire Fire & Rescue Service Oakroyd Hall, Bradford Road Birkenshaw BRADFORD West Yorkshire BD11 2DY United Kingdom

6. Reporter(s) details

Reporter's details	
Title	Miss
First name	Claire
Surname	Johnson
Role in scheme	Other
Role in scheme - further details	Pensions Officer for West Yorkshire Fire and Rescue
Direct telephone number	01274 655811
Email address	Claire.johnson@westyorksfire.gov.uk
Address	West Yorkshire Fire & Rescue Service Oakroyd Hall, Bradford Road Birkenshaw BRADFORD West Yorkshire BD11 2DY United Kingdom

Risk Area 1 - Regulatory and Compliance	Likelihood (1:least likely, 10:most likely)	Impact (1:least likely, 10:most likely)	Score (likelihood x impact)	Main Control/ Specific Risk Reduction Actions
Failure to put appropriate governance arrangements in place and monitor risk	2	7	14	<p data-bbox="863 456 1415 591">Scheme Manager and Pension Board awareness of legal responsibilities</p> <ul data-bbox="863 598 1415 1099" style="list-style-type: none"> <li data-bbox="863 598 1415 696">• Pension Board given up to date information on legal responsibilities <li data-bbox="863 703 1415 801">• Terms of reference in place and under review <li data-bbox="863 808 1415 907">• Procedures for assessing and managing risk <li data-bbox="863 913 1415 1012">• Procedure to identify, assess and report breaches <li data-bbox="863 1019 1415 1099">• Suitable frequency of Pension Board meetings
Failure to interpret rules or legislation correctly	2	7	14	<p data-bbox="863 1140 1415 1207">Appropriate Pension Board Member training</p> <ul data-bbox="863 1214 1415 1729" style="list-style-type: none"> <li data-bbox="863 1214 1415 1348">• Up to date and documented training log, showing completion of scheme-specific training and The Pensions Regulator’s educational material <li data-bbox="863 1355 1415 1422">• Technical advice and regular updates made available <li data-bbox="863 1429 1415 1527">• Ongoing process for acquiring relevant knowledge and understanding, with regular refreshers <li data-bbox="863 1534 1415 1601">• Training of new Pension Board Members <li data-bbox="863 1608 1415 1729">• Awareness and understanding of relevant documentation as per TPR Code of Practice 14 paras 42-46
Conflicts of Interest	2	5	10	<p data-bbox="863 1756 1415 1823">All Pension Board members to declare any conflicts</p> <ul data-bbox="863 1830 1415 1908" style="list-style-type: none"> <li data-bbox="863 1830 1415 1908">• Conflicts of interest policy in place and fully understood

				<ul style="list-style-type: none"> Request for interests to be declared at each meeting
Failure to comply with TPR deadlines	5	7	35	<p>All pension Board members to keep upto date with TPR compliance deadlines</p> <ul style="list-style-type: none"> Training of new Pension Board Members Technical advice and regular updates made available at LPB meetings
Risk Area 2 - Operations	Likelihood (1:least likely, 10:most likely)	Impact (1:least likely, 10:most likely)	Score (likelihood x impact)	Main Control/ Specific Risk Reduction Actions
Member data incomplete or inaccurate	5	7	35	<p>Data management and monitoring requirements under SLA fully understood and deemed adequate</p> <ul style="list-style-type: none"> Monthly processes to monitor records and carry out reconciliation Monthly KPI reporting on data issues – provide summary at each PB meeting Data review arrangements in place including periodic address cleanse Process to enact a Data Improvement Plan and report breaches, if required
Administration process failure / maladministration	4	8	32	<p>Formal SLA in place with third party administrator and monitoring arrangements assessed as adequate</p> <ul style="list-style-type: none"> Quarterly client meetings and monthly reports including KPIs Ongoing dialogue between Scheme Manager and third party administrator, including process improvement plans

				<ul style="list-style-type: none"> • Clear identification of roles, authority levels, data security and data protection processes
				<ul style="list-style-type: none"> • Audit reporting on both third party administrator and Scheme Manager's processes
				<ul style="list-style-type: none"> • Disaster Recovery Plans up to date and appropriate
				<ul style="list-style-type: none"> • Ability to commission independent assurance report, if required
Inadequate, late or inaccurate communications	5	7	35	Communication requirements fully understood and The Pensions Regulator's recommendations applied
				<ul style="list-style-type: none"> • Communications provided under SLA fully understood and deemed adequate for basic requirements
				<ul style="list-style-type: none"> • Ad hoc communications provided by LGA Pensions Adviser monitored, fully understood and tailored as necessary
				<ul style="list-style-type: none"> • Develop Communications Strategy and keep under review
Operational disaster (fire/flood etc)	1	6	6	Business continuity procedures in place
				<ul style="list-style-type: none"> • Third party scheme administrator Disaster Recovery Plan up to date and appropriate
				<ul style="list-style-type: none"> • Scheme Manager Disaster Recovery Plan up to date and appropriate
				<ul style="list-style-type: none"> • Contracts and other essential documents recorded on a central database

Risk Area 3 - Financial	Likelihood (1:least likely, 10:most likely)	Impact (1:least likely, 10:most likely)	Score (likelihood x impact)	Main Control/ Specific Risk Reduction Actions
Excessive charges by suppliers / additional liabilities on the operating budget	3	2	6	Regular checks of transactions and charges against contract terms/ robust methodology used to forecast pension accounting data
				<ul style="list-style-type: none"> Annual review of scheme budget, quarterly review of cost incurred against budget
				<ul style="list-style-type: none"> Periodic review of suppliers
				<ul style="list-style-type: none"> Processes in place to ensure robustness of method to forecast and calculate pension accounting data. Liaise with third party administrator when making forecasting assumptions
Fraud / Fraudulent behaviour	1	10	10	Budget monitoring and appropriate payment processes including use of authorised signatories and data validation
				<ul style="list-style-type: none"> Monitor incoming and outgoing scheme funds and membership movements against scheme forecasts – reconcile actual transactions against forecasts
				<ul style="list-style-type: none"> Authorisation of transactions in accordance with audit requirements and carried out by authorised signatories only
				<ul style="list-style-type: none"> Robust data validation processes in place by third party administrator and Scheme Manager to ensure all transactions authentic
				<ul style="list-style-type: none"> Audit reporting on both third party administrator and Scheme Manager's processes

Risk Area 4 - Funding	Likelihood (1:least likely, 10:most likely)	Impact (1:least likely, 10:most likely)	Score (likelihood x impact)	Main Control/ Specific Risk Reduction Actions
Employer failure to pay correct contributions into scheme	1	10	10	<p data-bbox="863 441 1414 546">Contribution deductions and payments – monthly reconciliation of schedule of payments due and amount paid across</p> <ul data-bbox="863 553 1414 851" style="list-style-type: none"> <li data-bbox="863 553 1414 680">• Processes in place to comply with regulatory requirements on contribution rates and pensionable pay definitions <li data-bbox="863 687 1414 851">• Suitable reporting and reconciliation processes in place ahead of payment including checks on changes in contract and transition to 2015 Scheme

Owner	Test	Next review
Pension Board Chair	As Required	
Scheme Manager	Annual	July 2020
Scheme Manager	Annual	July 2020
Scheme Manager	Annual	July 2020
Scheme Manager	Annual	July 2020
Scheme Manager	Annual	LPB Meetings
Scheme Manager	Ongoing	LPB Meetings
Scheme Manager	Ongoing	LPB Meetings
Scheme Manager	As Required	LPB Meetings
Scheme Manager	As Required	LPB Meetings
Scheme Manager	Ongoing	July 2020

Scheme Manager	Ongoing	LPB Meetings
Scheme Manager	Ongoing	LPB Meetings
Scheme Manager	Ongoing	LPB Meetings
Owner	Test	Next review
Scheme Manager	Monthly	July 2020
Pensions Administrator / Scheme Manager	Ongoing	July 2020
Pensions Administrator / Scheme Manager	As Required	July 2020
Scheme Manager	As Required	July 2020
Scheme Manager	Monthly	July 2020
Scheme Manager	Ongoing	July 2020

Scheme Manager	Annual	July 2020
Scheme Manager	Annual	July 2020
Scheme Manager	Annual	July 2020
Scheme Manager	As Required	July 2020
Scheme Manager	Annual	July 2020
Scheme Manager	Ongoing	July 2020
Scheme Manager	Annual	July 2020
Scheme Manager	Annual	As per internal audit cycle
Scheme Manager	Annual	As per internal audit cycle
Scheme Manager	Annual	As per internal audit cycle

Owner	Test	Next review
Scheme Manager	Quarterly	July 2020
Scheme Manager	Annual	July 2020
Scheme Manager	Annual	July 2020
CFO	Monthly	July 2020
Scheme Manager	Ongoing	As per internal audit cycle
Pensions Administrator / Scheme Manager	Ongoing	As per internal audit cycle
Scheme Manager	Annual	As per internal audit cycle

Owner	Test	Next review
Scheme Manager	Ongoing	As per internal audit cycle
Scheme Manager	Monthly	As per internal audit cycle

Comment
Procedure agreed in July 2019
Procedure agreed in July 2019
Traning records reviewed and maintained
Legislative update is a standing item on the agenda
Encouraged to attend LGA seminars, provided with monthly bulletins and given an overview of recent PO determini
Provided access to TPR online training and training from LGA

Standing item on LPB agenda
Comment
Monthly return sent to WYPF for immediate reconciliation
Monthly report received from WYPF
Done via contribution return on monthly basis
Breach policy approved at July 2019 LPB
Quarterly meetings attended by Pensions Officer
Data improvement plan in place

Comment

Comment

ations

AGENDA ITEM No. 7 – ANNEX D

Compliance Deadlines

Members at the October 2018 LPB meeting agreed that it would be useful for them to have a comprehensive list of our compliance deadlines. This will enable Members to scrutinise our position, ensure that we are compliant and avoid fines from The Pensions Regulator (TPR).

I have highlighted below the key dates for members to be aware of, it's worth noting that through the year the Scheme Manager is asked comply with additional areas, however, these are just one off pieces of work. Anything significant will be report to Members through the usual LPB channels.

31 May – Year end Data

West Yorkshire Pension Fund (WYPF) has imposed a deadline of 31 May to send all of our year end data to them. This data is required for the production of Annual Benefit Statements (ABS). Although failing to comply would not result in a financial penalty, it means that WYPF can give no guarantees that ABS production will be completed in time for 31 August, which is the TPR deadline.

To reduce the likelihood of non-compliance WYFRS now send data to WYPF on a monthly basis. This has resulted in less work at year end and ensures that all data is sent to WYPF in a timely manner, therefore giving them ample opportunity to produce the ABSs within the compliance timeframes.

31 August – ABSs

TPR have imposed a deadline of 31 August to produce all ABSs.

Failure to comply with this deadline can result in a financial penalty, the amount would be determined by TPR, in making their decision they would consider the numbers involved and the reason for non-compliance.

31 October – Pension Savings Statement

TPR have imposed a deadline of 31 October to produce all pension saving statements. These statements are only applicable for employees who have breached their Annual Allowance (AA), generally numbers are relatively low (50-100 max).

Failure to comply with this deadline can result in a financial penalty, the amount would be determined by TPR, in making their decision they would consider the numbers involved and the reason for non-compliance. It would also have a knock on effect for the employee. If the employee has breach their AA, and they don't have any carry forward to offset, a tax charge is payable. HMRC have imposed a deadline of 31 January for Voluntary Scheme Pays (VSP) and 31 July for Mandatory Scheme Pays (MSP). If the individual does not comply with these deadlines HMRC can impose sanctions.

30 November – TPR Survey

TPR send out an annual survey, the survey focuses on governance of the scheme. Although this survey isn't mandatory and failure to complete wouldn't result in a fine, failing to reply could damage our reputation with TPR and SAB.

The survey is normally completed by the Pensions Officer, with support from the LPB Chair, Scheme Manager and administrator.

WEST YORKSHIRE FRA

Data Improvement Plan

Introduction

- 1.1 This document defines the data improvement plan for WEST YORKSHIRE Fire which is administered by West Yorkshire Pension Fund (the Fund).
- 1.2 The Fund collects and holds large amounts of digital and paper based data and is heavily reliant on the timely receipt of quality data from the Fire Authority, in order to effectively administer the Firefighters' Pension Schemes.
- 1.3 Fundamentally, the purpose of the Firefighters' Pension Scheme is to pay the correct pension benefits to its members when they become due. It is therefore imperative that the Fund achieves and maintains the highest possible data quality standards, to comply with its core functions and to ensure the cost effective use of resources.
- 1.4 The legal requirements relating to scheme record keeping are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014.
- 1.5 The Firefighters' Pension Scheme continues to face ongoing legislative change with oversight of administration and governance now falling under the remit of the Pension Regulator, with a heightened responsibility on scheme managers and local pension boards to ensure data is readily available and fit for purpose at all times.
- 1.6 The Pension Regulators guidance requires that schemes should:
 - Continually review their data and carry out a data review exercise at least annually
 - Where a review of the scheme's data identifies poor or missing data a data improvement plan should be put in place to address these issues
- 1.7 The Firefighters' Pensions England Scheme Advisory Board issued a publication on the 30/08/2018 covering the Pension Regulators (tPR) requirements. A copy of this publication can be found at Appendix C.

1. The Pensions Regulator Annual Scheme return

- 2.1 Annually the Pensions Regulator issues a scheme return which should be completed and returned. From 2018 each Pension Fund is required to include a Data Quality Score which has two types of data:
 - **Common data** – used to identify scheme members and includes name, address, national insurance number and date of birth.
 - **Scheme-specific data** – essential to calculate benefit entitlement such as pensionable pay and service history. It also encompasses data relating to events that occur during an individual's membership, for example transfers etc.

- 1.2 The tPR has issued a quick guide on measuring scheme data which states that one piece of missing data, such as a current address on a deferred member's record should be reported to them as a failed record.

2. Key Objectives

The key objectives of this plan are to:

- Ensure member records are maintained as accurately as possible to ensure benefits are paid correctly on time, members receive a high standard of service and the fund is able to meet legal obligations.
- Ensure administration costs are reliable/correct.
- Ensure data supplied for the scheme valuation is as accurate as possible.
- Ensure the Fund complies with tPR's Code of Practice.

3. Outcomes

Outcomes of an improvement in the data held by the Fund on behalf of the FRA are:

- Improvement of tPR data score for Common and Scheme Specific (also known as conditional) data
- Increase in the number of beneficiaries able to receive an Annual Benefit Statement (ABS) or aware of the value of benefits by 31 August.
- Reduction in the number of Internal Dispute Resolutions (IDRPs) received for incorrect calculation of benefits or delays in paying benefits
- Reduction in the number of queries received when ABS are sent out
- Reduction in administration costs
- Reduces the likelihood of Government Actuary Department rejecting data for the scheme valuation
- Improves accuracy for the IAS19 valuations
- Reduces breaches recorded by Fire Authority (e.g. due to ABSs being issued late)

4. Additional general responsibilities relating to the Data Improvement Policy

5.1 Fund Officers

- Fund officers continually review and ensure that data collection is fit-for-purpose and processes are in place to monitor accuracy and timeliness. All processes will

have working instructions in place to assist with staff training, understanding and compliance.

- Team managers are responsible for ensuring that staff have the appropriate level of UPM access to fulfil their duties and that access is withdrawn upon the member of staff leaving the team. This minimises the risk of accidental loss, errors and unauthorised activity.

5.2 Fire Authority

- The Fund is reliant upon the accuracy, completeness and timeliness of data submitted by the Fire Authority.
- The Fund will work with each Fire Authority throughout the year to support the provision of data to the required standard.

6 Ongoing Data Cleansing

6.1 Monthly Returns data quality checks

WYPF embraced monthly contribution postings several years ago with the aim of simplification, systems integration, increased data accuracy and complete up to date member records. The benefits include ensuring that employee's contributions, member's personal details, and financial records are up to date, accurate and complete.

6.2 National Fraud Initiative

The National Fraud Initiative (NFI) matches electronic data within and between public and private sector bodies to prevent and detect fraud. These bodies include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. WYPF submit data to National Fraud Initiative on a regular basis to identify deceased members and members who are no longer entitled to receive a pension.

6.3 Mortality screening and tracing service

WYPF engage with a Tracing Bureau for both monthly mortality screening and for members we don't have a current address for. For deferred members, where a current address for a lost contact cannot be found by the Tracing Bureau, a more detailed check is carried out 3 months before payment of pension is due.

6.4 Annual Benefits Statement checks

Before producing an ABS each year certain checks are applied to active records to ensure accurate data is used in the production of the ABS. These checks include:

- Ensuring contributions are received for every month during the year,
- Checks to make sure there are no spikes in care pensionable pay,

- Checks to ensure the final pay has not increased by 20% or decreased by 10%,
- Checks to ensure there aren't any outstanding processes,
- Address check to compare the address held on the record and that supplied on the monthly return

If these checks identify further information is required from the Fire Authority the ABS production for this case will be blocked and a query will be referred back to the Fire Authority. Upon receipt of the appropriate information the record will be updated and the ABS will be released for production.

6.5 Deferred pensions increase

As part of the annual deferred pensions increase process certain data errors are identified and pensions increase is blocked until they are resolved. These errors include:

- Incorrect elements present,
- Spouse elements that don't match member elements,
- Incorrect dates for the first entry after the member is deferred,
- Data errors are corrected to allow deferred pensions increase to run on to individual deferred folders.

6.6 Annual deferred benefit statements

Before producing the annual deferred benefit statements data errors that would result in potentially incorrect statements being produced are identified. These include:

- Deferred pensions increase not updated,
- Multiple 'normal payment' dates being held on the deferred folder,
- Multiple entries for the same date shown on the pension history screen,
- Initial entries on the pension history missing,
- Service start date mismatches.

Once these errors are resolved and the records is updated the deferred ABS will be released for production.

7 Data errors

When tackling data errors the following considerations will be used when making the decision on the priority of errors to be resolved:

- Priority identified on the error report
- Data improvement plans objectives

8 Frequency

Data Quality reports will be run on a quarterly basis to measure the data quality scores and identify any further action that may be required.

9 Appendices

- Appendix A details the Data Quality scores and errors
- Appendix B is the Data Improvement Plan
- Appendix C is a publication issued by Firefighters' Pensions England Scheme Advisory Board – TPR data requirements

Appendix A – WEST YORKSHIRE FRA - results at Feb 2019

1992 scheme	Nov 18	Feb 19	June 19	
Common	99.66	99.69	99.69	
Scheme Specific	94.97	94.99	91.28	
2006				
Common	93.10	93.86	89.19	
Scheme Specific	99.14	99.12	100	
2006 modified				
Common	100.00		100	
Scheme Specific	85.51		82.35	
2015				
Common	99.07	93.96	97.32	
Scheme Specific	97.67	98.35	95.60	
2015 modified				
Common	100.00		100	
Scheme Specific	100.00		100	

Breakdown of activities for improvement from November 18

	92	2006	2006 modified	2015	2015 modified	Total
Count of address/ postcode missing (1 active)	4	5	0	1	0	10
Count of missing, bad or temp NI number	2	2	0	0	0	4
Count of missing sex	0	0	0	2	0	2
Count of folder status/status history mismatch	1	0	0	1	0	2
Count of no date joined scheme	3	1	0	1	0	5
Count of no folder scheme history	3	1	0	1	0	5
Count of no folder status history	0	1	0	0	0	1
Count of invalid deferred payment date	0	0	0	1	0	1
Count of missing or bad expected retirement date	0	0	0	24	1	25
Count of missing retirement type	1	0	0	0	0	1
Count of missing initial pension (def)	0	0	0	1	0	1
Count of missing CARE pay	0	0	0	1	0	1
Count of missing CARE benefit	0	0	0	14	0	14
Count of missing CARE revaluation Rate	0	0	0	14	0	14
Count of missing initial CARE pension (def)	0	0	0	4	0	4
Count of missing actual FS pay	0	0	1	2	0	3
Count of missing FS annual rate	0	0	1	2	0	3
Count of invalid PSO or sharing order	46	0	0	1	0	47
Count of invalid transfer in present	0	0	0	2	0	2
Count of beneficiary link to pensioner missing	81	0	0	0	0	81
Count of beneficiary type missing	81	0	0	0	0	81
Count of missing or bad transition data	1	0	0	0	0	1
Count of missing modified additional special service	0	0	9	0	0	9

Breakdown of activities for improvement from February 19

	92	2006	2006 modified	2015	2015 modified	Total
Count of address/ postcode missing (1 active)	3	5		1		9
Count of missing, bad or temp NI number	2	2		0		4
Count of missing sex	0	0		2		2
Count of no date joined scheme	3	1		1		5
Count of no folder scheme history	3	1		1		5
Count of no folder status history	0	1		0		1
Count of invalid deferred payment date	0	0		1		1
Count of missing or bad expected retirement date	0	1		51		52
Count of missing retirement type	1	0		0		1
Count of missing initial pension (def)	0	0		2		2
Count of missing CARE pay	0	0		1		1
Count of missing CARE benefit	0	0		6		6
Count of missing CARE revaluation Rate	0	0		6		6
Count of missing initial CARE pension (def)	0	0		4		4
Count of missing actual FS pay	0	0		2		2
Count of missing FS annual rate	0	0		2		2
Count of invalid PSO or sharing order	46	0		1		47
Count of invalid transfer in present	0	0		2		2
Count of beneficiary link to pensioner missing	80	0		0		80
Count of beneficiary type missing	80	0		0		80
Count of missing or bad transition data	1	0		0		1
Count of start date inconsistent	26	0		733		759

Breakdown of activities for improvement from June 19

	92	2006	2006 modified	2015	2015 modified	Total
Count of address/ postcode missing (1 active)	4	5		1		10
Count of missing, bad or temp NI number	2	2				4
Count of missing sex				2		2
Count of no folder scheme history	3	2		1		6
Count of invalid deferred payment date				1		1
Count of missing or bad expected retirement date				22		22
Count of missing initial pension (def)				2		2
Count of missing CARE pay				1		1
Count of missing CARE benefit				11		11
Count of missing CARE revaluation Rate				11		11
Count of missing initial CARE pension (def)				4		4
Count of missing actual FS pay			1	3		4
Count of missing FS annual rate			1	3		4
Count of invalid PSO or sharing order	46			1		47
Count of beneficiary link to pensioner missing	76					76
Count of beneficiary type missing	76					76
Count of missing modified additional special service			9			9
Count of start date inconsistent	26		1			27
Count of invalid fire split	1					1
Count of missing retirement type	1					1
Count of no date joined scheme		1				1
Count of missing or bad retirement		1				1
Count of missing transition data		1				1

Appendix B

Data Category/ Issue	Category	Priority	Resolution required	Responsibility	Progress	Deadline
Address and postcode Missing	Common	Medium	Accurate Data Service engaged to carry out address tracing for deferred and preserved refunds members Mypension allows members to update their address	Service Centre		Nov 20
Missing, bad or temp NI number	Common	Medium	Interrogate records and or obtain correct NI number from FRA/ Member	Service Centre		Nov 20
Missing sex	Common	Low	Interrogate records and or obtain correct information from FRA/ Member	Service Centre		Nov 21
Folder status/ status history mismatch	Common	Medium	Data not tying up with history views on UPM. To investigate and correct.	Service Centre	Completed	
Expected retirement date	Common	Low	IT will do bulk update with correct dates.	IT		Nov 21
Date joined scheme	Common	High	Interrogate records and update with correct data	CRM	Completed	
Missing retirement type	Common	Medium	Interrogate data and update with missing data	CRM	Completed	
Start date inconsistent	Common	Medium	Interrogate records and update with correct data	CRM		Nov 20
No folder scheme history	Scheme specific	Medium	Interrogate records and update with correct data	CRM		Nov 20
No folder status history	Scheme specific	Medium	Interrogate records and update with correct data	CRM	Completed	
Invalid PSO or Sharing Order	Scheme specific	Low	IT to alter the report so it does not pick up ex spouse surname	IT		Nov 21
Missing actual FS	Scheme	Low	To query correct figure with FRA	CRM		Nov 21

pay	specific					
Missing FS annual rate	Scheme specific	Low	Missing for previous years. Will be manually extracted from pay scales	CRM		Nov 21
Missing Care pay	Scheme specific	Low	To query with FRA why pay missing	CRM		Nov 21
Missing Care benefit	Scheme specific	High	Outstanding work in service centre.	Service Centre		Nov 19
Missing Care revaluation rate	Scheme specific	High	Outstanding work in service centre.	Service Centre		Nov 19
Missing Care initial pension (def)	Scheme specific	Low	Moved into 2015 Scheme but didn't receive any pay so nil Car pension expected	CRM		Nov 21
Missing initial pension (def)	Scheme specific	High	Interrogate data and update with missing data	CRM		Nov 19
Invalid deferred payment date	Scheme specific	Medium	Interrogate records and update with correct data	CRM		Nov 21
Beneficiary Link to pensioner missing	Scheme specific	Low	IT to investigate if bulk identification and update possible.	IT		Nov 21
Beneficiary type missing	Scheme specific	Low	IT to investigate if bulk identification and update possible.	IT		Nov 21
Invalid transfer in present	Scheme specific	Low	WYPF to investigate details, possible that record is correct and if so, report needs adjusting	CRM	Completed	
Invalid fire split	Scheme specific	Medium	Interrogate records and update with correct data	CRM		Nov 20
Missing or bad transition data	Scheme specific	Medium	Interrogate records and update with correct data	CRM	Completed	
Missing modified additional special service	Scheme specific	Medium	Interrogate records and update with correct data	CRM	Completed	
Missing retirement type	Scheme specific	Medium	Interrogate records and update with correct data	CRM		Nov 20
No date joined	Scheme	Medium	Interrogate records and update with correct data	CRM		Nov 20

scheme	specific					
Missing or bad retirement date	Scheme specific	Menuim	Interrogate records and update with correct data	CRM		Nov 20
Missing transition date	Scheme specific	Medium	Interrogate records and update with correct data	CRM		Nov 20

This improvement plan primarily aims to address the key issues identified from the Funds Data Quality review and data quality score and details the plans in place to improve the data we hold.

Appendix C



Information

TPR data requirements

Background

For the first time in 2018, TPR are requesting that schemes measure the data they hold about their members and report this on the annual scheme return. To assist schemes in measuring their data, TPR have produced the following guide:

<http://www.thepensionsregulator.gov.uk/docs/measure-data-guide.pdf>

As you will be aware the scheme manager has responsibility for completing the scheme return and therefore for completing the data score analysis. While they may ask their administrator to perform the exercise, they should be aware that they will need to consider data that is needed but might not be programmed for within the pension software, i.e. various manual calculations or payroll information.

TPR have recently published a [checklist](#) for completing the scheme return, which is expected to be issued in September with a six-week turnaround for completion.

It is important to remember that data scoring should not be considered a test of software or administrators, rather it is a measure to ensure that data is provided accurately by employers and can be accessed appropriately when required in order to calculate members' benefits accurately.

TPR have confirmed that the first year of data-scoring will be used as a baseline to assess the current position of scheme data. It will be used to review the methodology adopted by each scheme in both selecting and measuring their scheme-specific data. Thereafter, a year-on-year improvement will be expected.

There are two different categories of data– common and scheme specific. Please see more detail below.

Common data

A list of 11 basic data items which are used to identify scheme members and should be held by all schemes. The data must be present and accurate for all members. However, data does not need to be measured where there is no further liability – for example the member has transferred out or received a refund of contributions.

	Data item	Comment
1	National Insurance number	'TN' formats should be regarded as missing data. The final character of NI numbers is not essential.
2	Surname	Check that the surname is present.
3	First name or initials	Forenames are preferable but initials are an acceptable alternative. Check that one of these is present.
4	Gender	Check that a gender indicator is present.
5	Date of birth	Check that date of birth is present and consistent (earlier than date joined scheme, retirement, date of leaving). Inconsistent dates should be classed as missing data.
6	Address	An address should be present for all members. 'Gone away', 'unknown' or similar should be treated as missing data.
7	Postcode	Check that a postcode is present if address is not identifiable as being overseas.
8	Start date of pensionable service	Check that the start date is present and later than date of birth. False dates should be classed as missing data.
9	Membership status – e.g. active, deferred, pensioner	Check that a current valid status is recorded for each member. This may be a dual status, e.g. active or deferred member with partial retirement or member with transitional benefits.
10	Last status event - date and reason membership status last changed e.g. from active to deferred.	Check that benefits taken are consistent with status, and, if status history is recorded, that the latest status is the same as the explicitly recorded current status.
11	Normal retirement date: <ul style="list-style-type: none"> • 1992 Age 55 [Rule A13]¹ • 2006 (Standard) Age 60 [Sched 1, Pt 2, Para 3] • 2006 (Special) Age 55 [Sched 1, Pt 2, Para 3 (3)] • 2015 Age 60 Rule 3² 	Need to check that it is populated, consistent with scheme rules and statutory requirements, and is later than date of birth and pensionable service date.

¹ For the 1992 scheme, you may wish to also hold earliest eligibility to pension benefits, i.e. 30 years' service

² As defined in the interpretations under 'Normal Pension Age'

Scheme-specific (conditional) data

Items which are required to run the scheme and pay accurate benefits. This will be different for each scheme, although there may be some similarities within types of scheme e.g. defined benefit, public service.

There will be variances in the data that system providers are able to extract from the pension administration system, and some data may not be held electronically at all.

Although TPR have produced some general guidance on measuring scheme-specific data, there are no particular guidelines for the Firefighters' Pension Schemes.

<http://www.thepensionsregulator.gov.uk/docs/record-keeping-guidance-conditional-data-table.pdf>

The LGA agreed that in order to achieve consistency and allow for benchmarking and best practice, a standard list of scheme-specific items for FPS should be developed. This has proven more difficult than initially imagined, particularly within the available timescales, as robust testing is needed not only of the data that the administrator holds, but also items which may not be recorded on software.

Therefore, rather than provide a definitive list of data elements, we have given some suggested items below. This is based on the GAD Universal Data Extract and TPR guidelines, subject to feedback from software suppliers and our knowledge of the Firefighters' Pension Schemes. The suggestions are split into categories for active, deferred, pensioner, and dependant members.

TPR understand that this will be a reiterative process and therefore, this project will be revisited once the results of year one are known and we can build a clearer picture of what is achievable and realistic. Scheme managers will be given opportunity to review the process following the return submission deadline.

The table below illustrates the 10 different types of member that exist within the FPS. When considering your return, bear in mind that not all of the suggested items will apply to every category of member.



10 different types of member

	Protected	Tapered	Unprotected	Transitional
1992 Scheme	√	√	X	√
2006 Scheme (Standard member)	√	√	X	√
2006 Scheme (Special member)	√	√	X	√
2015 Scheme	x	x	√	x

ACTIVE

	Data item	Comment
1	Current scheme – 1992, 2006 (Standard), 2006 (Special), 2015	Check that membership class is present, if it is required in order to define the class of membership, from which the scheme rules and benefits applicable to the member can be ascertained.
2	Protection status and transition date	Check that protection status and taper date are present and consistent with date of birth and date joined scheme. False dates should be classed as missing data.
3	Any previous FS scheme membership - 1992, 2006 (Standard), 2006 (Special)	Check whether transitional data exists and that the dates are consistent with the scheme parameters.
4	Employer	Check that employer name is present.
5	Date joined current employer	Check that date joined employing company is present and is later than date of birth. False dates should be classed as missing data.
6	FS actual pay (past 3 years – amounts and dates)	Check that a final salary pay based on actual earnings (e.g. part-time) exists for each of the last 3 years and is greater than £1.
7	FS pensionable pay (past 3 years – amounts and dates)	Check that a final salary pay based on FTE earnings or reference pay exists for each of the last 3 years and is greater than £1.
8	Reckonable service	Split as necessary to calculate benefits and reflect aggregated service. Check that total reckonable service is consistent with start date and hours.
9	Qualifying service	Check that a total amount of Q service is recorded and consistent with start date.
10	Transferred-in service	If benefits have been transferred in, check that all relevant details are recorded. This will include (as a minimum) the details of the previous scheme, the amount of the transfer value (split between protected rights and non-protected rights and, if relevant, split between the amount received in respect of member and employer contributions and AVCs), benefits secured, and (if relevant) contracting out details.
11	Purchased service (added 60ths)	Check that full details of any purchased service are present, including amount bought, and total payable, whether by lump sum or periodic contribution.
12	Part time indicator and % FTE	Both or neither should be present, check that this is consistent.

13	APB amounts (including CPD, LSI and temporary promotion)	Check that amounts paid, period dates and calculated APB amounts are present.
14	CARE pay from 01/04/2015 (or transition date)	Check that pay figures are present for each year of CARE membership from date of joining/transition.
15	Accrued CARE pension from 01/04/2015 (or transition date)	Check that accrued benefit details are present if they are updated and recorded annually.
16	Annual revaluation percentage	Check that there is a history of revaluation percentage for the accrued pension for each relevant year.
17	PSOs/ Earmarking	If a member has had a pension sharing or earmarking order, check that full details of the benefits transferred/ to be paid to the ex-spouse/ex-civil partner are recorded.
18	Scheme pays debits	Check that details of any future scheme pays debits are recorded including amount of tax charge and annual pension debit.
19	Potential entitlement to two pensions (reduction in pay)	Check that date of reduction and previous higher rate of pay is recorded if a potential entitlement to two pensions has been established.
20	Contracted-out date	Check that this is present and not earlier than 06/04/1978.

FPS 2006 SPECIAL MEMBERS		
	Data item	Comment
21	Retained option election	An indicator should be present to identify that the member elected to purchase benefits under the retained option.
22	Additional special service	A record of additional special pensionable service awarded to the member (excluding any period relating to the conversion of standard to special service).
23	Converted special service	Details of service that was converted from standard to special service.
24	Settlement format	Indication of whether by lump sum or periodic contribution.
25	Settlement amounts (lump sum/ periodic to date)	Details of settlement amounts paid to date.

DEFERRED

	Data item	Comment
1	Scheme at leaving – 1992, 2006 (Standard), 2006 (Special), 2015	Check that membership class is present, if it is required in order to define the class of membership, from which the scheme rules and benefits applicable to the member can be ascertained.
2	Any previous FS scheme membership - 1992, 2006 (Standard), 2006 (Special)	Check whether transitional data exists and that the dates are consistent with the scheme parameters.
3	Former employer	Check that name of former employer is present.
4	Reckonable service	Split as necessary to calculate benefits and reflect aggregated service. Check that total reckonable service is consistent with start/ end date and hours.
5	Qualifying service	Check that a total amount of Q service is recorded and consistent with start/ end date.
6	Transferred-in service	If benefits have been transferred in, check that all relevant details are recorded. This will include (as a minimum) the details of the previous scheme, the amount of the transfer value (split between protected rights and non-protected rights and, if relevant, split between the amount received in respect of member and employer contributions and AVCs), benefits secured, and (if relevant) contracting out details.
7	Purchased service (added 60ths)	Check that full details of any purchased service are present, including amount bought, and total payable, whether by lump sum or periodic contribution.
8	FS pay at date of leaving	Check that final pensionable salary calculated at date of exit is present.
9	Initial deferred pension (FS)	Check that total original deferred benefit is present (either derived or explicit). Split by tranches of accrued pension (e.g. APBs) including separate records of any debit and credits.
10	Current deferred pension (including PI) (FS)	Check that this is present, split by tranches of accrued pension (e.g. APBs) including separate records of any debit and credits. The sum of the individual components must equal any total pension that is recorded on the system.
11	Date payable (FS)	Check that deferred payment date is present and consistent with date of birth.
12	Initial CARE pension	Check that value at date of exit is present, including revaluation to date of exit.
13	Current CARE pension (including PI)	Check that current value is present and includes any relevant PI.

14	Date attains SPA	Should be the date the member reaches state pension age under current legislation, for payment of 2015 deferred benefit.
15	PSOs/ Earmarking	If a member has had a pension sharing or earmarking order, check that full details of the benefits transferred/ to be paid to the ex-spouse/ex-civil partner are recorded.
16	Scheme pays debits	Check that details of any future scheme pays debits are recorded including amount of tax charge and annual pension debit.
17	Contracted-out date	Check that this is present and not earlier than 06/04/1978.
18	Pre/ Post-88 GMP	Check that a member with at least one month of pre 4/88 contracted out service has a pre-88 GMP. GMP must be divisible by 52. May be derived if total GMP and post 4/88 GMP are recorded. Check that a member with at least one month of post 4/88 service contracted out on a GMP basis has a post 88 GMP. Can be derived or explicit.
19	Date GMP revalued to	Check that a revaluation rate is present for each element of GMP.

FPS 2006 SPECIAL MEMBERS		
	Data item	Comment
20	Retained option election	An indicator should be present to identify that the member elected to purchase benefits under the retained option.
21	Settlement format	Indication of whether by lump sum or periodic contribution.

PENSIONER

	Data item	Comment
1	Scheme at leaving – 1992, 2006 (Standard), 2006 (Special), 2015	Check that membership class is present, if it is required in order to define the class of membership, from which the scheme rules and benefits applicable to the member can be ascertained.
2	Any previous FS scheme membership - 1992, 2006 (Standard), 2006 (Special)	Check whether transitional data exists and that the dates are consistent with the scheme parameters.
3	Former employer	Check that name of former employer is present.
4	Marital status	Ensure marital status is recorded to determine correct calculation of dependant benefit.
5	Type of pension (e.g. normal, ill-health, pension credit)	Check that retirement type is present, in order that the benefits applicable to the member can be ascertained.
6	FS pay at date of leaving	Check that final pensionable salary calculated at date of exit is present.
7	Date pension began (FS)	Check that date pension started is present and is after date joined scheme. Systems need to take account of partial retirements.
8	Pre-commutation pension (FS)	Check that a total gross pension is present (either derived or explicit) - initial basic final salary scheme pre-commutation pension.
9	Initial pension (FS)	Check that a total pension is present (either derived or explicit) - basic final salary scheme pension at retirement after commutation. Split by tranches of accrued pension (e.g. APBs) including separate records of any debit and credits.
10	Current pension (including PI) (FS)	Check that this is present, split by tranches of accrued pension (e.g. APBs) including separate records of any debit and credits. The sum of the individual components must equal any total pension that is recorded on the system.
11	Commutation factor	Check that GAD factor used to calculate lump sum is recorded.
12	Commutated lump sum	Check that amount of lump sum paid in lieu of final salary scheme pension is present and consistent with factor/ amount commuted.
13	Injury award	Check details of any injury award in payment at the date of assessment.

14	Date CARE pension began	Check that date pension started is present and is after date joined scheme. Systems need to take account of partial retirements.
15	Pre-commutation CARE pension	Check that a total gross pension is present (either derived or explicit) - initial basic 2015 scheme pre-commutation pension.
16	Initial CARE pension	Check that value at date of exit is present, including revaluation to date of exit.
17	Current CARE pension (including PI)	Check that current value is present and includes any relevant PI.
18	Commutated lump sum	Check that amount of lump sum paid in lieu of CARE scheme pension is present and consistent with factor of 12/ amount commuted.
19	PSOs/ Earmarking	If a member has had a pension sharing or earmarking order, check that full details of the benefits transferred/ to be paid to the ex-spouse/ex-civil partner are recorded.
20	Scheme pays debits	Check that details of any scheme pays debits are recorded including amount of tax charge and annual pension debit.
21	Contracted-out date	Check that this is present and not earlier than 06/04/1978.
22	Pre/ Post-88 GMP	Check that a member with at least one month of pre 4/88 contracted out service has a pre-88 GMP. GMP must be divisible by 52. May be derived if total GMP and post 4/88 GMP are recorded. Check that a member with at least one month of post 4/88 service contracted out on a GMP basis has a post 88 GMP. Can be derived or explicit.
23	Date GMP revalued to	Check that a revaluation rate is present for each element of GMP.
24	LTA charge paid	Check that the date and amount of any lifetime allowance charge paid is present.
25	UP details	Check that full details are recorded if an unauthorised payment has been made. Details will include the nature, date and amount of the payment.

FPS 2006 SPECIAL MEMBERS		
	Data item	Comment
26	Retained option election	An indicator should be present to identify that the member elected to purchase benefits under the retained option.
27	Settlement format	Indication of whether by lump sum or periodic contribution.

DEPENDANT

	Data item	Comment
1	Deceased's scheme at leaving – 1992, 2006 (Standard), 2006 (Special), 2015	Check that membership class is present, if it is required in order to define the class of membership, from which the scheme rules and benefits applicable to the member can be ascertained.
2	Deceased's former employer	Check that name of former employer is present.
3	Deceased's NI number	'TN' formats should be regarded as missing data. The final character of NI numbers is not essential.
4	Dependant type	Check that dependant type is present, in order that the benefits applicable can be ascertained.
5	FS derived pension	Check that a value is recorded for dependant's final salary scheme pension, excluding any injury pension payable.
6	CARE derived pension	Check that a value is recorded for dependant's CARE scheme Pension at valuation date, excluding any injury pension payable.
7	Injury award	Check details of any dependant's injury award (DIS only).
8	Partner's Pre/ Post-88 GMP	Check that a member with at least one month of pre 4/88 contracted out service has a pre-88 GMP. GMP must be divisible by 52. May be derived if total GMP and post 4/88 GMP are recorded. Check that a member with at least one month of post 4/88 service contracted out on a GMP basis has a post 88 GMP. Can be derived or explicit.
9	Date GMP revalued to	Check that a revaluation rate is present for each element of GMP.

Accuracy

In order to calculate your data score, data has to be both present and accurate. Your score will be the percentage of scheme members you assess to meet these criteria for all data items, measured in each category. Testing for the presence of data is relatively straightforward, however testing for accuracy is subjective and will require some measure of judgment.

TPR guidance suggests that accuracy may be measured by the presence of sufficient processes and controls to ensure the quality of new and historical data. The below paragraphs provide some guidance on the types of processes you might expect to have in place for Fire data and provides some illustrative examples of areas that you might want to examine more fully.

- Checking you have data in all the fields you expect.

In order to test for presence and accuracy you will need to establish entitlement, for example the absence of an Additional Pension Benefit (APB) is not necessarily inaccurate for a member who is not in receipt of CPD payments or a temporary promotion.

Likewise you will need to consider the two pension rule. An administrator may not be aware entitlement exists unless they have been specifically told by the employer that a member may be entitled to a two pension award due to a drop in pay, so you may first need to consider the employer process with regards to acknowledging entitlement to benefits and informing the administrator.

You will also need to consider any data that is not held on the software, for example we are aware that some Fire Authorities / pension administrators have established manual processes to administer special members of the 2006 scheme, and the data does not necessarily sit on the administration software. You would need to consider where this data is held and what processes are in place to ensure the data is present and accurate.

Therefore you will need to consider what processes are in place to order to ascertain that where a member has entitlement to a benefit and that the information needed to calculate that benefit is present

- Consistency checks – data items must be consistent with each other, for example the date a member joined the scheme must be later than their date of birth, and prior to their expected retirement date.

You may wish to consider the processes for consistency checks for pay, for example many administrators may establish a tolerance check that checks for pay increases or decreases within a certain percentage.

- Validation checks – data items should be in a valid format, for example the two letter prefix of the national insurance number needs to match the two letter prefixes used by HMRC.

To test for accuracy you may also want to consider the frequency of validation checks, for example, administrators who have established automated monthly data reconciliation processes will have more opportunity to frequently validate the data.

You may also want to use the amount of errors returned to the employer to consider the likelihood of accuracy. For example an administrator with multiple clients may experience a higher error return rate for some clients than others.

- Specific processes, for example regular existence checks, or checking members' dates of birth, e.g. against birth certificates, at the point benefits are taken.

Your administrator should regularly report to you on the outcome of their quality controls. If any key data item is identified as absent or likely to be incorrect, it should be verified with the relevant member or employer.

This factsheet has been prepared by LGA to give some informal guidance on completion of the annual TPR scheme return for the Firefighters' Pension Scheme. It is not intended as advice or a definitive 'how to' guide.

The following sources are acknowledged in the development of this factsheet: TPR, GAD, Aquila Heywood, LGPC.

Please address any queries on the content of this factsheet to bluelight.pensions@local.gov.uk



OFFICIAL

Pension Ombudsman - update

Local Pension Board

Date: 31 January 2020

Agenda Item:

8

Submitted By: Chief Employment Services Officer

Purpose To present Members with information on recent Pension Ombudsman rulings related to the Firefighters' Pension Scheme.

Recommendations That the report be noted.

Summary It is a requirement of the Public Service Pensions Act 2013, and subsequent 2015 regulations, for Members of a Local Pension Board to have a knowledge and understanding of the law relating to pensions and such other matters.

It is advised by the Local Government Association that, in order to secure compliance with the legislation relating to the governance and administration of the Firefighter Pension Schemes, Members should review Pension Ombudsman cases.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicky Houseman, Committee Services Manager
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E: nicky.houseman@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex A – decision summaries (copy of full determinations available by contacting the Committee Administration Manager, West Yorkshire Fire and Rescue Authority)

1 Introduction

- 1.1 It is a requirement under the Public Service Pensions Act regulations that Members of a Local Pension Board had a knowledge and understanding of the governance and administration of the relevant pension schemes.

2 Information

- 2.1 Attached to this report is one Pension Ombudsman rulings that has been made since the date of the last meeting as follows;

- Mr I – ill health (Torfaen LGPS)
- Mr N – widow benefits (Police Pension Scheme)
- Mr N – administration (Lancashire FRS)
- Mrs H – payments (Hants. LGPS)

3 Financial Implications

- 3.1 There are no financial implications arising directly from this report.

4 Legal implications

- 4.1 The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

5 Human Resource and Diversity Implications

- 5.1 There are no human resources implications arising directly from this report.

6 Health, Safety and wellbeing implications

- 6.1 There are no health, safety and wellbeing implications arising directly from this report.

7 Your Fire and Rescue Service priorities

- 7.1 Keeping Members informed with regard to legislation and current ombudsman pension issues is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

8 Environmental implications

- 8.1 There are no environmental implications arising directly from this report.

Ombudsman's Determination

Applicant	Mr I
Scheme	Local Government Pension Scheme (LGPS)
Respondents	Torfaen County Borough Council (the Council)

Outcome

1. Mr I's complaint is upheld and to put matters right the Council shall consider backdating Mr I's ill health retirement pension (**IHRP**) to May 2011.
2. The Council shall also pay Mr I £1,000 for the serious distress and inconvenience caused by its actions when dealing with his IHRP application.
3. My reasons for reaching this decision are explained in more detail below.

Complaint summary

4. Mr I's complaint against the Council is twofold: -
 - The delay between 2011 and 2016 in the Council dealing with his ill health pension application from deferred status, due to the request for Mr I to pay for the cost of a specialist report.
 - His pension that he was awarded in 2016, was only backdated to 2015 and not 2011, which was when he had originally requested it.

Background information, including submissions from the parties

5. Mr I was employed by the Council as a third-tier manager until he left his employment due to ill health in February 2006 and became a deferred member of the LGPS.
6. Mr I first enquired about an IHRP in 2007. In May 2011, Mr I contacted the Council's pensions team, to apply for an IHRP. His email was forwarded to the Human Resources (**HR**) manager. In her reply dated 12 May 2011, she advised Mr I that, in order for the Council to process his application, it would be necessary to access his medical reports, which comes at a fee payable by Mr I. In response to this, Mr I informed the HR manager that he was currently homeless living abroad and unable to meet the cost of it. He also said that this was discriminatory of the Council and asked

whether he could obtain medical reports from abroad or if he would need to return to the UK in order to do so.

7. On 20 May 2011, the HR manager replied to Mr I saying:

“I am afraid it is down to the fact that the local authority budgets are not able to meet the cost. The medical reports can be done from where you are, if you agree to meet the cost our Occupational Health Adviser will send you a consent form and ask you for details of your medical advisor...if you are not able to pay for the required reports from your medical advisors we are unable to proceed.”

8. On 2 June 2011, Mr I emailed the HR manager to let her know that the specialist who had been treating him did not do medical reports. He explained that this was the same issue he had had in 2007, when he first enquired about an IHRP, hence he did not apply then.

9. On 6 June 2011, Mr I sent a chaser email to the HR manager as he had not had a response. She passed Mr I's enquiry to an OH adviser who responded to Mr I on 8 June 2011 saying:

“Once we have a report, it needs to be translated into English...To assess your eligibility under the LGA [LGPS] pension fund criteria you will need to be seen by one of their nominated Occ [Occupational] Health [OH] Dr's. This means you will have to attend a consultation in the UK, most likely with our OH Dr...all costs have to be met by the ex employee.”

10. On 8 June 2011, Mr I sent a further email to the HR manager to inform her that he had spoken to his specialist. He said the specialist had agreed to provide a medical certificate and a statement signed by three other colleagues, supporting his incapacity for work and his health condition turning for the worse.

11. On 9 June 2011, Mr I replied to the Council's 8 June 2011 email saying:

“You are telling me that I have to travel 20000 km (return trip) to attend an appointment with the Occ. Health? Have they changed the rules as last time...this was not necessary...it sounds crazy that a sick person is made to travel all that way, please note that I have a degenerative problem with my spine as well as the other medical conditions that you are aware of. 10 hrs in a plane is not exactly what the doctor order [sic] me.”

12. On the same day, the OH adviser replied to Mr I saying:

“I have spoken to Pensions, they have advised that on receipt of the specialist medical report, to initially try to undertake a paper work procedure with an appointed Pensions medical officer.”

13. On 22 December 2011, Mr I emailed the pensions team to confirm his last day of employment. On 3 January 2012, the pensions team emailed Mr I back confirming

the date of his last day of employment as 3 February 2006. He then emailed the HR manager enquiring about his IHRP application again.

14. On 3 January 2012, the HR manager emailed Mr I explaining that she had previously emailed him with regard to his query and said that this would depend on his assessment by an OH adviser. She also reminded him about the cost of any GP, medical reports, being his responsibility to meet. In response, Mr I asked her to arrange an appointment for him with an OH.
15. On 24 May 2012, Mr I emailed the HR manager asking her to contact his specialist and request a medical report. He also provided contact details for his Consultant Orthopaedic Spinal Surgeon, Mr Mehta.
16. On the same day, the HR manager replied advising Mr I that it was him who must contact his specialist to obtain a report and not HR.
17. On 24 September 2012, Mr I emailed the HR manager apologising that he did not come back to her earlier due to his ill health. He also confirmed that he was prepared to pay for the consultation. He also advised that the referral to the specialist should come from HR.
18. On 22 November 2012, the OH adviser emailed Mr I saying:

“I have received medical report from your GP but no new information from your consultant. We cannot progress unless we have updated information from a consultant. Early release of benefits depends on specialist reports that are recent. GP alone [sic] reports are not enough for early release of pension benefits.”
19. On the same day, Mr I emailed the OH adviser explaining that he was under the understanding that she was going to contact his specialist to arrange a report. He attached a report, that said “surgical option has been deemed to be unsuitable”. He asked the OH adviser to clarify the next steps as he said he was confused by the process. The OH adviser subsequently emailed the HR manager asking her to chase up for the specialist’s report.
20. On 26 November 2012, the OH adviser emailed Mr I thanking him for sending his GP report, however it was dated January 2012, and referred to surgical options. She said that up to date, she had still not received a report from Dr Mehta whose details he had provided. She explained that unfortunately they have no specialist report to provide to the OH doctor for an IHRP assessment.
21. On 28 November 2012, Mr I replied to the OH adviser and explained that he had checked with Dr Nagrani’s secretary who confirmed that if the OH adviser requests a report from them, they would be happy to send it to her. On the same day, the OH adviser emailed Mr I saying that he only gave consent for his GP and Dr Mehta and not Dr Nagrani so she asked for Dr Nagrani’s details. Mr I subsequently provided this information to her.

22. On 17 December 2012, Mr I emailed the OH adviser for an update. She replied the same day saying:
- “We were packing and moving location last week. Today was still unpacking your notes included. I have 220 active cases of current employees, as soon as I have received up to date medical reports from your consultants I will be in touch.”
23. On the same day and 18 December 2012, Mr I emailed the OH adviser to query if she had requested a report from Dr Nagrani.
24. On 24 January 2013, Mr I emailed the OH adviser chasing up for a response to his 18 December 2012 email. He also expressed his dissatisfaction that it had been two years since he tried to pursue his IHRP application. On the same day, he received a confirmation from the OH adviser that she had requested a report from Dr Nagrani.
25. On 1 February 2013, Mr I emailed the HR manager informing her that the only way to speed up the process would be for him to officially raise a complaint against the OH adviser. On the same day, the HR manager replied to Mr I and explained that she had confirmation from the OH adviser that she had written to Dr Nagrani but that she had still not received a report from him. However, if he still wished to raise a formal complaint, he could do so and provided him with the details for such.
26. On 19 February 2013, the OH adviser emailed Mr I informing him that she had now received a report from Dr Nagrani and that Dr Devlin would look into his medical evidence to ensure they had enough before his assessment.
27. On 21 February 2013, the OH adviser sent an email to the HR manager and Mr I saying that their OH doctor, Dr Devlin, concluded that there was not sufficient medical evidence for Mr I to fit the criteria under LGPS Rules for an ill health pension. She further said:
- “Not all treatment options have been exhausted, e.g. no conclusion from the pain clinic;
 - No detail of your functional capability;
 - No detail of your current medication regime;
 - No mention of the effects of your other medical problems.”
28. The OH adviser also said that due to the above reasons she had not arranged another consultation with the OH doctor. She confirmed that there were now overseas OH doctors who are registered with LGPS.
29. On 22 February 2013, the HR manager, emailed Mr I requesting the required information as stated by the OH adviser.

30. On 23 February 2013, Mr I replied saying that he would like to proceed with obtaining further medical evidence to support his application however he was not sure that the right questions were asked of his specialist and added:

“I am under Dr Turtle at Glasgow hospital, he prescribed ago [sic] puncture last year which unfortunately did not work, I was due to see him again last month but was unable due to the snow, seeing him again on 7th March, this is only to try and managed [sic] the pain, not to resolve the health issues...I do live and reside in Wales...I need clear guidelines of what do they need and to ensure that the right questions are asked to specialist. It took 2 years for [the OH adviser] to agree to send the form out, six months after she agreed for the form to reach the specialists.”

31. On 26 February 2013, the HR manager emailed Mr I requesting the names of all the consultants that he had been treated by, within the last twelve months.

32. Mr I raised a formal complaint about the delay in dealing with his IHRP application in February 2013, by invoking the LGPS' two-stage internal dispute resolution procedure (**IDRP**).

33. On 4 March 2013, the same HR manager sent Mr I a response under stage one of the IDRP not upholding his complaint and concluding that:

“I am assured that there was no intention to treat you unfairly, as we can see from the emails the correspondence has been intermittent and it is only recently that we have started receiving medical information to use to assess your case. From my investigation I cannot see any evidence of [the OH adviser] ignoring any of your requests...In order to progress your case can I refer you to my email dated 26th February 2013.”

34. Mr I did not respond to the 26 February 2013 email until 20 March 2015, when he emailed HR requesting to apply for his IHRP again. He also said that he had previously made an application but had had to give up due to his health condition and the lack of support from the Council.

35. On 17 April 2015, Mr I sent a chaser email to HR as he had not received a reply. He received an “out of office” email and heard nothing further from the Council.

36. In March 2016, Mr I's MP wrote to the Chief Executive (**CE**) of the Council saying:

“Mr I contacted [the Council] in 2010 to ask if he could gain early access to his...pension scheme due to his illness. I understand that the Council informed him he would need to sign an underwriting to pay approximately £1000 for an occupational therapist report before seeing an occupational therapist, which is prohibitive to my constituent to access his own money that he has accumulated in his 30-year career in local authorities. I would be very grateful if you could investigate his case and set up a meeting with [the OH] ...to

determine whether he can gain early access to his...pension scheme without £1000 cost.”

37. On 9 April 2016, the CE emailed Mr I's MP saying that as Mr I suffered from more than one health condition, reports were required on each condition but had not been provided by him earlier. She said that his complaint had already been investigated previously under stage one of the IDRP and fully addressed. She also confirmed that his consent form had been received by the OH and that his application would be dealt with.

38. On 25 April 2016, the CE emailed Mr I explaining:

“I understand that you have attempted several times to secure an early release of your deferred pension benefits, and can confirm receipt of your medical documentation, however...at the time of receipt they were at least a year old so not current enough in terms of the criteria to be able to make a determination on your case...you were not able to travel to Pontypool, therefore presenting a further difficulty in progressing matters for you. The HR team were advised by the Greater Gwent Pension Section of the change in the arrangements for paying for reports in February of this year.”

39. On 11 May 2016, the CE emailed Mr I saying that his complaint had been dealt with by the Council's complaints officer and not a member of the HR team. She also reassured him that his application was now being processed.

36. On 30 June 2016, an independent registered medical practitioner (**IRMP**) assessed Mr I's IHRP application and concluded that Mr I met the criteria for ill health benefits. Consequently, his benefits were backdated to 15 June 2015, the date of his application.

37. On 9 August 2016, Mr I emailed the CE raising further issues with regard to the cost of the report and the way his application had been mishandled. Again, on 25 August 2016, Mr I's MP sent a letter to the CE saying:

“I am informed that you replied that there was a change of policy in February 2016. Mr I would be very grateful if he could receive a copy of that policy.”

38. On 7 September 2016, the CE sent a letter to Mr I's MP saying:

“...in January of this year we received updated advice from the Greater Gwent Pension's Team to say that there had been an Ombudsman ruling and that we were no longer able to pass the cost of medical reports back to the Pension member. Mr I was informed that he would need to attend an appointment with our Independent Registered Medical Practitioner, however this proved difficult as at one point he was living in Spain...other options were explored by [the OH] to identify an IRMP in his locality...I can therefore confirm access to [the OH] was never denied. A complaint was received and investigated as you state in 2013, and a response sent to Mr I, the response advised that if he

remained unhappy he would be able to initiate stage 2 of the Complaints procedure, this he has never done.”

39. In July 2017, Mr I brought his complaint to The Pensions Ombudsman.

40. On 10 January 2019, the Council provided its formal response that maintained its previous stance and added:

“I am also advised by our [OH] team that over a period of time they were not made aware of all the Consultants that were treating Mr I which added to the difficulty of obtaining up to date information to assist the IRMP to assess Mr I’s case...Mr I again applied for access to his pension on the 15th June 2015, and following further difficulty in obtaining up to date medical information for the IRMP to be able to assess his case on the 30th June 2016 it was determined that he met the criteria, and his application was duly processed and backdated to the 15th June 2015. It is also my understanding that a number of months, went by I believe almost a year before his pension was accessed despite the best efforts by the Pensions Team to make contact. I can confirm that it was our policy for individuals applying for deferred pension benefits to pay for there [sic] own medical reports...Mr I was never refused an appointment with [the OH] it was just explained that at that time he would need to meet the cost of any medical reports.”

Adjudicator’s Opinion

41. Mr I’s complaint was considered by one of our Adjudicators who concluded that further action was required by the Council. The Adjudicator’s findings are summarised below: -

- The Adjudicator first addressed the matter of the Council asking Mr I to cover the cost of obtaining medical reports. This subject was subject to a determination issued by the previous Pensions Ombudsman in PO-5101, dated 31 March 2015. The Ombudsman concluded that whilst the LGPS Regulations are silent on the matter, under Regulation 31, the Council is required to obtain a certificate from an IRMP before making its decision. So, regardless of the outcome of Mr I’s request for the release of his pension, whether it be from active or deferred status, he was under no obligation to pay the fee/cost for the medical reports.
- The Adjudicator noted that it was May 2011 when Mr I first contacted the Council to apply for an IHRP and he was then advised by the Council, in its email of 12 May 2011, that it was for him to meet the cost of the medical reports. Although Mr I informed the Council that he was homeless and could not afford to meet the cost, in a further email dated 20 May 2011, the Council reiterated that Mr I needed to pay the fee. In the Adjudicator’s view, the Council’s action amounts to maladministration because it should not have asked Mr I to pay the fee. The Council has stated that it was its policy for individuals applying for IHRP to pay for their own medical reports. However, that policy had no foundation in the LGPS Regulations. Under those

regulations, it was for the Council to come to a decision as to Mr I's eligibility for early payment of his deferred benefits. In order to do so, it was required to obtain an opinion from an IRMP. It could not decline to fulfil its statutory obligation to consider Mr I's application on the grounds that he had failed to provide reports from his doctors. If the IRMP required information from Mr I's doctors, the Council should have taken steps to facilitate this. It had no statutory authority to charge Mr I for these reports.

- The Council has stated that Mr I was never refused an appointment with its OH. However, it is clear that the fact that he was told to pay for the medical reports would have been a deterrent to applying for an ill health pension, because he had no provision to meet this cost.
- The Adjudicator noted that Mr I was living in Spain at the time, and was of poor health, however, the Council insisted on him attending an assessment with an IRMP. It is unclear why the Council insisted on Mr I attending the assessment in person as it is not a requirement of the LGPS regulations for a member to attend. It is down to the IRMP's professional judgment to decide, based on Mr I's health condition, whether he should have to attend or not. It would have been appropriate for the Council to accommodate Mr I and make the process as smooth as possible. Instead, in the Adjudicator's opinion, it failed to take the appropriate steps to consider Mr I's application, including making reasonable allowances for his circumstances. This would have been another factor in delaying his application until he made another attempt in November 2012 when he agreed to cover the cost.
- In February 2013, the OH finally considered Mr I's medical evidence and concluded that there was insufficient evidence to refer Mr I for an assessment with an IRMP, it also advised him that there were now registered IRMPs in Spain. However, instead of again requesting the list of Mr I's specialists, the Council should have referred Mr I to one of the overseas IRMPs for assessment. It is for an IRMP and not for an OH adviser to assess his application under LGPS Regulations, and then for the Council, after obtaining a certificate from its IRMP, to make a decision.
- Undeniably, Mr I has been unwell since 2011. The Adjudicator has identified a few shorter and longer periods (two years), of inactivity when Mr I did not contact the Council. This is unlikely to be because he was being obstructive and not responsive to the Council's requests, but most likely due to the Council's lack of support and accommodation with his application and last but not least his poor health.
- Not surprisingly, Mr I asked his MP to intervene. Only with his MP's intervention was Mr I's application finally processed. It was the Adjudicator's view that, the Council's lack of support and unreasonable delay will have caused Mr I serious distress and inconvenience for which he should receive an award of £1,000. This is in line with the Ombudsman's guidance on awards for non-financial injustice.

- Finally, the Adjudicator noted that the Council awarded Mr I an IHRP backdated to 15 June 2015, when he made his last application. Based on the maladministration identified above, it was the Adjudicator's view that the Council should consider backdating Mr I's benefit to May 2011, as this is the date he initially wanted to apply for his IHRP therefore the Adjudicator was of the view that this complaint should be upheld.
42. The Council did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. The Council provided its further comments which do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by the Council for completeness.
43. The key points made by the Council are: -
- Mr I's employment was not terminated on the grounds of ill health, but he was dismissed for gross misconduct.
 - The Ombudsman's 2015 Determination about this subject was made two years after the Council's first decision about Mr I's entitlement to an IHRP, in February 2013. As the LGPS Regulations are silent on the matter of charging the fee, it was reasonable for the Council to have had such policy in place at the time.
 - The Council disagrees with the fact that Mr I was unable to meet the cost of the medical report as he eventually agreed to meet the cost.
 - It is completely normal to expect an applicant to attend a meeting with an IRMP who considers it to be a standard practice.
 - The decision was reached by an OH adviser in February 2013.
 - The Council refutes there was a lack of support on its side. The lack of contact was more attributable to Mr I's behaviour and the fact that he lived abroad at the time.
 - There is no justifiable reason to backdate Mr I's ill health pension to May 2011 as his application was first refused in February 2013.
44. Mr I provided his comments in response to the Council's comments disagreeing with its points.

Ombudsman's decision

45. I find that the reason for Mr I's termination of employment is not relevant to his application for an ill health pension as he applied for it as a deferred member of the LGPS and not from active status.
46. As found by my predecessor in PO-5101, the Council's policy had no foundation in the LGPS Regulations. Under LGPS Regulations, it was for the Council to come to a decision as to Mr I's eligibility for early payment of his deferred benefits. In order to do so, it was required to obtain an opinion from an IRMP. It could not decline to fulfil its

statutory obligation to consider Mr I's application on the grounds that he had failed to provide reports from his doctors. As concluded by the previous Ombudsman, it had no statutory authority to charge Mr I for these reports. The fact the Ombudsman's Determination post-dates Mr I's application date is irrelevant. My conclusions are not affected by the fact that Mr I eventually agreed to cover the cost of the medical reports.

47. There is no provision under the LGPS Regulations that requires an applicant to attend an assessment with an IRMP. However, it is for an IRMP to make that judgment depending on the applicant's health condition. I consider it to be unreasonable for the Council to have put pressure on Mr I to fly from Spain to the UK even though his GP advised him not to. The Council should have honoured Mr I's GP's recommendation and arranged an assessment without him being present in the UK or arrange an assessment in Spain.
48. The Council said that the decision was made by an OH adviser in February 2013. Under LGPS Regulations the Council, being the decision maker, is required to obtain an IRMP certification before deciding whether or not to grant ill health retirement. It is not for an OH adviser to make that decision but for the Council in consultation with its IRMP.
49. I have considered all the events leading up to the 2016 decision about Mr I's ill health pension and I find the Council should have provided Mr I with more support and understanding for his health condition. It is unreasonable that it has taken Mr I around five years for his ill health pension application to be concluded. I agree with the Council that Mr I did not always respond to its emails in a timely manner, but this does not seem to me to be the reason that his application was delayed. I find that had Mr I not been asked to cover the cost of medical reports, he would probably have applied for his IHRP in May 2011 which was when he first made a concerted effort to access the necessary medical reports.
50. Therefore, I uphold Mr I's complaint.

Directions

51. To put matters right, within 28 days of the date of this Determination, the Council shall consider backdating Mr I's ill health pension to May 2011, when he first intended to apply. In order to do so, it will require further advice from its IRMP.
52. If the Council determines that Mr I's deferred benefits should be paid with effect from May 2011 or any earlier date than that on which they were in fact put into payment, interest shall be paid in accordance with Regulation 81 of the LGPS 2013 Regulations.

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53. Within 14 days of the date of this Determination, the Council shall pay Mr I £1,000 for the serious distress and inconvenience caused.

Karen Johnston

Deputy Pensions Ombudsman
1 August 2019

Ombudsman's Determination

Applicant	Mr N
Scheme	Police Pension Scheme 1987 (the Scheme)
Respondent	Metropolitan Police Service (MPS)

1. I do not uphold Mr N's complaint and no further action is required by the MPS.

Complaint summary

2. Mr N complains that he was not provided with information in 1973 about increasing the widow's pension payable from the Scheme in the event of his death. Mr N would like the widow's pension payable to be based on one half of his pension using all his police service and not just the period from 1 April 1972 onwards.

Background information, including submissions from the parties

3. Officers who joined the Scheme before April 1972 were entitled to a widow's pension that equalled a third of their own pension. From April 1972, officers were entitled to a widow's pension that would equal half of their own pension.
4. On 10 April 1973 a police order was issued informing officers of an option to buy in service prior to 1 April 1972. This meant that officers had the option to increase their pension contributions to increase their widow's pension. Officers were required to complete option forms to indicate if they wanted to increase contributions. Chief Superintendents and senior officers were instructed to send the completed forms received from all eligible officers and submit a certificate to confirm that all option forms had been returned to the pensions department. Mr N does not recall receiving or being made aware of this at the time.
5. Mr N became aware that officers who joined the MPS prior to 1972 had been given the opportunity to increase pension contributions to allow widows to receive half of their pension after reading an article in March 2018.
6. Mr N contacted Equiniti, the Scheme Administrator, who told him the widow's pension payable in the event of his death would be £1,567.65 a month, but that it would have

been £1,658.49 a month if he had increased contributions in April 1973. Equiniti also said that:

- It held no copies of how officers were offered the opportunity to increase contributions.
- It would have been the officers' responsibility to make enquiries directly.
- Mr N did not increase his contributions at the time and he could no longer increase his widow's pension.

7. Mr N complained under the Scheme's internal dispute resolution procedure (**IDRP**) that he was not informed of the opportunity to increase his pension contributions. The MPS' response was:-

- The 1973 Police Orders which all officers were required to read, include an order entitled, "Option to buy in service prior to 1st April 1972, for widow's pension purposes" dated 10 April 1973.
- It no longer held any records as the policy file was destroyed in 2003, after 30 years, as all officers affected by this matter would have been expected to raise queries about the calculation of their pension at the time of their retirement.
- It was unable to confirm exactly how the communications would have happened as 45 years have passed.
- Many officers had taken up the offer and this was recorded on their file. However, this was not recorded on Mr N's file and his benefits have been calculated in line with the Scheme regulations and the information available in his personal file.

8. Mr N appealed the decision as no evidence had been provided to show that he was informed of his eligibility to increase his pension contributions.

9. At IDRP stage two, MPS said that:-

- The process of informing officers was described in the Police Order of 10 April 1973. A home office booklet and an option form was sent to every serving officer with an instruction for them to read the information and return the form by 30 June 1973. Chief Superintendents were given a key role in overseeing the whole exercise, including the submission of a signed certificate to the pension department confirming that every policeman under their command had received the booklet and returned their completed form.
- It had no reason to believe that Chief Superintendents did not follow the instructions and it had not received any similar complaints from ex-officers.
- If Mr N had a query about his pension, it should have been raised when he retired in 1995 and the policy files would have been available.
- There is no discretion to allow Mr N to buy back further widow's pension, nor does it have the authority to increase the award payable to his widow.

10. Unhappy with MPS' response, Mr N brought his complaint to The Pensions Ombudsman (TPO). He said that:-

- He had retired from the MPS in 1995 after 30 years of service and he believed his widow's pension would be half of his own.
- He had recently discovered that his wife would receive £1,000 per annum less than he had thought.
- He had been told that his file had no indication that he had increased pension contributions and neither did his central record of service (**CRS**).
- There was no evidence to show that he was consulted about the option to increase his pension contributions and he was not aware of the 1973 Police Order.
- He had been told that officers in his division had their CRS stamped to show whether they had decided to increase their pension contributions.

11. In its response to TPO, MPS said that:-

- The 1973 Police Order outlined the process for Chief Superintendents to follow and it had no reason to suspect the process had not been followed.
- Mr N had referred to the stamps placed on some CRS that indicated whether an officer had chosen to increase contributions to increase their widow's pension. It acknowledged that this may have happened in some boroughs, but it was not an official part of the process detailed in the 1973 Police Order.
- Under the Scheme regulations, it had no discretion to allow Mr N to buy back further widow's pension for his wife or to increase the award payable to her.

12. Mr N made the following additional comments:-

- The MPS should still hold records to show whether he was given the opportunity to increase his pension contributions and its failure to hold them is a breakdown of a duty of care.
- MPS keeps all officer's CRS in their archives and it should be able to check to see if stamps were applied to his division's records.
- The Home Office would not have specified a process for ensuring that all officers were properly informed or for recording what decision was made.
- At the time of the exercise he was a Clapham officer and had spent a lot of time working in Brixton which may explain why he was missed out of the exercise.

Adjudicator's Opinion

13. Mr N's complaint was considered by one of our Adjudicators who concluded that no further action was required by MPS. The Adjudicator's findings are summarised below:-

- The 1973 Police Order showed that all officers at that time were required to complete an option form and it was the Chief Superintendent who had the

responsibility to confirm all forms had been returned. As there was no evidence to dispute that Mr N had received the option form, on the balance of probability, the Adjudicator thought that Mr N was made aware of the option to increase his pension contributions.

- The MPS had kept records until 2003 when all the affected officers would have had their pension in payment. It was not unreasonable for MPS to no longer hold records.
- As the records did not show that Mr N had chosen to make additional contributions, he was not entitled to have his widow's pension increased to half of his pension for the full 30 years of his service.

14. Mr N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr N provided his further comments which do not change the outcome. I agree with the Adjudicator's Opinion and I will therefore only respond to the key points made by Mr N for completeness.

15. Mr N made the following comments:-

- The Adjudicator's findings centred on claims that there was no available evidence.
- There is evidence to show whether officers had decided to increase their contributions. If the CRS were produced, they would show that officers in his division, who had been given the opportunity to increase their pension contributions, would have their CRS stamped to show their decision.
- As a duty of care, the MPS should produce and examine the available CRS.

Mr N also provided a copy of the CRS for two other officers. Both had been stamped to show whether they had decided to increase their pension contributions.

16. The MPS provided a copy of the original pension calculation carried out on 29 August 1995, shortly before Mr N retired on 3 September 1995. Under the widow's pension calculation, it shows Mr N's service prior to April attracted a rate that was equal to a third of his pension.

Ombudsman's decision

17. The opportunity for Mr N to uprate the widow's pension payable on his death was a matter that occurred more than 40 years ago and so there is limited information available to determine what happened at the time. The Police Order from 1973 outlines the procedure to be followed. It states that all officers were to complete an option form and return this to their Chief Superintendents who had to sign to confirm they had received completed forms from all officers. The MPS has explained that it destroyed its records relating to uprating after 30 years, as all affected officers would have by that time been in receipt of their pension. I do not consider it unreasonable for the MPS to no longer hold the original records from 1973.

18. Mr N says that evidence is available in the form of his division's CRS which would be stamped to show whether the officer had chosen to increase their pension contributions. He has asked the MPS to examine them. However, the MPS has said that the stamping of officer's CRS was not an official part of the process outlined in 1973 and that only some officers had their CRS stamped. Mr N has told us that his CRS does not have a stamp. So even if the MPS were to look through its records to see whether other CRS were stamped, the fact would remain that Mr N's CRS is not stamped. Due to the length of time that has passed and given that stamping CRS was not standardised as an official part of the process, I cannot reasonably draw any conclusions from this.
19. The records do not show that Mr N chose to increase his widow's pension by increasing his pension contributions. The pension calculation from 1995 confirms Mr N's pre-1972 service widow's pension was equal to a third of his own. If Mr N had paid the additional contributions to increase his widow's pension, the calculation would have been made at half the rate of his own pension. As Mr N did not increase his pension contributions, he is not entitled to have the widow's pension payable on his death increased to half of his pension for his full police service.
20. I do not uphold Mr N's complaint.

Anthony Arter

Pensions Ombudsman
14 August 2019

Ombudsman's Determination

Applicant	Mr N
Scheme	Firefighters' Pension Scheme (the Scheme)
Respondent	Lancashire Fire and Rescue Service (LFRS)

Outcome

1. I do not uphold Mr N's complaint and no further action is required by LFRS.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr N has complained that since he was retired on the basis of ill-health, he has been paid a B1 Ordinary Pension rather than a B3 Ill Health Pension. He says this is specifically prohibited by The Firemen's Pension Scheme Order 1992 (**the Order**), has meant his pension has been underpaid and has impacted the benefits payable under the B4 Injury Award.
4. He has also highlighted what he considers to be a flawed interpretation of part of the B3 Ill Health calculation, B3(5).

Background information, including submissions from the parties

5. On 1 March 1992, the Order came into force. (Relevant provisions are at Appendix 1.)
6. Following the implementation of the Order, the Home Office issued a document entitled Commentary on the Firefighters' Pension Scheme (**the Commentary**). I have had sight of a copy that dates from May 2003, this being the last date that it had been amended. The list of amendments shows no changes relevant to this complaint. (Relevant provisions are at Appendix 2.)
7. In July 1998, Mr N retired on the basis of ill-health from LFRS. As a result, he was entitled to a B3 Ill Health award, as calculated by the formulas set out in Part III of Schedule 2 of the Order.

8. Having applied the formulas in Mr N's circumstances, LFRS concluded that Mr N was entitled to the notional pension calculated following B3(5), using Mr N's average pensionable pay at the point he left service.
9. On 23 January 2015, a determination addressing the correct interpretation of B3(5) was issued by my predecessor. That case was not upheld, and the previous Ombudsman explained why B3(5) ought not to be interpreted in the way that Mr N believes it should be. The Applicant in that case is representing Mr N here.
10. In 2016, Mr N considered the pension he was receiving and took the view that it was being incorrectly paid.
11. Mr N's position is that since 1998, his pension has been paid on the basis of a B1 Ordinary Pension, as opposed to the B3 Ill Health Pension he is entitled to. Mr N highlights that if an individual is entitled to a B3 Ill Health pension, as he is, they are prohibited from receiving a B1 Ordinary pension. Specifically Part B (B1) of the Order states:

"B1 Ordinary pension

(1) Subject to paragraph (2), this rule applies to a regular firefighter who retires if he then—

...

(c) does not become entitled to an ill-health award under rule B3."
12. Mr N considers that the pension must be recalculated, using the correct interpretation of B3(5), which should use an average pensionable pay figure that reflects what he could have earned at the point of compulsory retirement had he not been injured. This should take account of the likely pay increases or promotions he would have earned.
13. The complaint was considered by LFRS under the internal dispute resolution procedure but not upheld. LFRS was satisfied that Mr N is being paid the correct pension. Subsequently, Mr N referred the matter to us.

Adjudicator's Opinion

14. Mr N's complaint was considered by one of our Adjudicators who concluded that no further action was required by LFRS. The Adjudicator's findings are summarised below:-
 - It is not disputed that Mr N is entitled to a B3 Ill Health pension. In calculating that pension, LFRS had correctly compared the result of the B3(4) formula against the notional pension calculated under B3(5). In Mr N's case, because the B3(4) pension exceeded the B3(5) pension, it was the pension calculated under B3(5) that was put into payment. The Adjudicator considered this was the correct approach to Mr N's circumstances.

- Whilst the B3(5) notional pension is calculated following the formula for a B1 Ordinary Pension, and the outcome was equivalent, Mr N was still being paid a B3 Ill Health pension and this was not contrary to B1(1)(c) (set out in paragraph 11 above).
 - Although B3(5) capped Mr N's pension at the same level as the B1 Ordinary Pension, he is receiving a pension under the B3 Ill Health rule, not the B1 Ordinary Pension rule.
 - The Adjudicator considered that the intention of this was to cap the pension payable so that it would not exceed the amount paid had the member retired under ordinary circumstances. This reflects the fact there is an Ill Health Gratuity payable and scope for payment of an Injury Award Gratuity and Pension, dependent on how the ill health came about.
 - The Adjudicator concluded that the range of awards provided by the Order account for the potential loss of future earnings and future earnings growth that Mr N suggests should be paid under his interpretation of B3(5). In the Adjudicator's opinion, it did not appear appropriate that these awards would be payable in addition to the enhanced B3 Ill Health pension that Mr N believes should be paid.
 - The argument that an allowance should be made for lost future increases in salary from promotions or the relevant pay scale, by applying an increase to the average pensionable pay, was already addressed by the Ombudsman under a previous determination, which the Adjudicator understood Mr N had seen. That determination concluded that the notional retirement pension was based on actual average pensionable pay rather than Mr N's suggested forecasted increased average pensionable pay. The Adjudicator saw no reason to reach a different view in this case.
 - The Adjudicator suggested that the use of "actual" in B3(5) was intended to distinguish between the notional (remaining years until compulsory retirement) and "actual" (the actual average pensionable pay) elements of that formula.
15. Mr N did not accept the Adjudicator's Opinion and the complaint was passed to me to consider. Mr N provided his further comments which do not change the outcome. I agree with the Adjudicator's Opinion.

Submissions made by Mr N and his representatives

16. Mr N's barrister has said, in summary: -
- LFRS has attempted to defraud firefighters who were retired on the basis of ill health.
 - The affected members have been callously deprived of their rights, which could lead to criminal prosecutions.

- To minimise costs the matter has been reviewed by an Adjudicator who is an unqualified layman. This has resulted in the use of subjective common sense as opposed to the law. The attempts to avoid the cost associated with legal advice is a criminal enterprise.
- The Pensions Ombudsman has a personal duty to avoid malfeasance by his staff, and ensure the service applies the law in an unbiased and fair way.
- The determination on similar issues made by the previous Ombudsman was a misdirection without application of the law, “pursued on a whim under perceived immunity from redress at the hands of an elderly, long deprived firefighter pensioner layman, with no legal aid”. The Ombudsman should redetermine that case and offer to pay costs should this case be appealed. To not do so would deny justice without redress.
- By allowing the Adjudicator to adjudicate, the Ombudsman has breached the Pensions Act 1993 (section 145 (4C)), which allows it to delegate any function ‘other than determination’.
- The Adjudicator and the Ombudsman that determined the earlier case were required to inform themselves as to how to interpret the law. If not from a lawyer, then from the Commentary, designed to assist non-lawyers.
- The Commentary explains in relation to Rule B3 that the calculation requires reference to what the member “...could have earned until required to retire by reason of age”. This is an interpretation of the Order.
- The Order excludes a Rule B3 pension to someone retiring early or of their own volition, whose entitlement is a Rule B1 pension, with no liability for future loss. But Rule B3 specifically compensates for future financial loss due to early retirement on the basis of ill health.
- The Adjudicator considers there is no allowance for loss of future earnings, and the possible B3 pension is capped at the level of a B1 Ordinary pension. This means that an individual entitled to a B3 pension will never receive anything other than a B1 Ordinary pension, but that renders the B3 formula redundant, and the Adjudicator’s opinion is therefore absurd.
- The language of Rule B3 is plain. A in the formula “is” the actual pensionable pay [APP], whereas the notional pension set out in Rule B3(5)(2) is “by reference to” APP.
- The term “by reference to” is not the same as “is”. If the legislation had meant to refer to actual pensionable pay it would have said so. As it does not, “by reference to” must be distinguished from “is”.
- The legislation does not require speculation on future earnings. If the Rule is followed, you “arrive at a notional pension ‘by reference to’ the current APP. That

does not mean to calculate on the retiree's current APP, as for a current Rule B1, but on applying the meaning of 'by reference to' (Courts tend to rely on the SOED), the calculation of the notional pension come to be on an APP taken from the current pay scale, within which the retirees current APP is to be found, no less that are the APPs being paid at the time, from trainee to Chief Fire Officer."[sic]

- The notional pension should be calculated on the present rank and seniority that could have been achieved had they served until compulsory retirement, but for the curtailment of their career due to injury.
- The correct interpretation can be demonstrated by looking at the possible pensions available to firemen at retirement and a series of hypothetical calculations were provided to support this.
- "Calculation of a notional pension requires a consideration by the Chief Fire Officer, or his delegate, to decide, not on probability but more generously, on what 'could' that fireman's career have achieved, but for being cut short."
- The Chief Fire Office, with the member's consent, would have scope to allow a notional pension based on the firefighter reaching the top of their pay scale with maximum service, or taking account of a possible promotion. Both scenarios would result in a higher notional pension than allowed for under the Adjudicator's interpretation.
- Rule I4(3) specifies that where two sums appear to be payable "the one to be paid is the largest of them."
- This interpretation limits the pension "to the most an injured fireman could have earned but for injury, but it also ensures that he/she gets no less: so no high flyer, cut down in mid-flight, is denied full compensation for loss of future earnings of a glittering career, lost to them on being required to retire early on ill health, injured in our service."
- The intention of the Scheme being designed in this way was to save the Government from the legal costs that could arise from Firefighter's seeking damages through the courts. In exchange for this, the ill health provisions would accept liability in all but rare cases and in additional pension being paid in lieu of damages. It is these damages, ordinarily awardable under common law, that have been denied to Mr N when the Adjudicator's interpretation is applied.
- It is not for the Adjudicator or Ombudsman to conclude that the legislation has become too generous because of compensation from other provisions.
- The Adjudicator reached their view knowing the impossibility for many, due to age, infirmity or poverty, to appeal the opinion in the High Court. This was perhaps to avoid embarrassment, enquiry and expense for the pension fund, and such motivation could warrant the award of aggravated damages.

- The previous Ombudsman and the Adjudicator's failure to apply the law, instead applying their personal opinion, is arbitrary and oppressive, and this again could attract punitive or exemplary damages, as per *Rookes v Barnard*.
- It is unlawful for the Ombudsman to use an arbitrary interest rate "since the rate is well established where public money is withheld to the damage of the individual."
- Unless an authoritative argument can be made that "is" and "by reference to" are intended to mean the same in the legislation, then the Adjudicator's opinion is arbitrary and fraudulent.
- The failure to uphold the case will mean the Ombudsman has adopted an illegal stance and, is "acting dishonestly in public service and engaging in a conspiracy to defraud men and women injured in our service and are in most serious breach of public trust, and you [the Ombudsman] will have institutionalised the criminality."

17. Mr N has said, in summary:-

- The Adjudicator has failed to demonstrate an ability to read and understand the nuanced complexities ("known as 'art' by barristers") of the relevant legislation of his complaint.
- The Adjudicator failed to seek legal advice on the complaint despite it being available to him and that he was faced with two Barristers' opinions in relation to the matters complained of.
- The Rules, B3 and B4 are compensatory packages to compensate for early loss of his career and the promotion and pay he "could", as referred to in the Commentary, have achieved. This is no less than the damages that would have been awarded by a Court.
- The Adjudicator's interpretation of the legislation is "reducing the relevant law to the level of incomprehensible absurdity."
- The Adjudicator describes his B3 Ill Health Pension as "effectively a B1 Pension", however this is nonsense and cannot possibly be. If a B1 pension "fits all" what is the point of Rule B3 and why did the Adjudicator not pick up on this contradiction in his interpretation.
- The Adjudicator is complicit with LFRS, and uses "faux judicial speak", when saying "this means that Mr N is still being paid a B3 Ill-Health Pension, albeit it is equivalent to the B1 Ordinary Pension." This is "tripe", "egregious nonsense".
- The Adjudicator's opinion is sparse, a whitewash, worthless in law and fails to understand the Order and the Guidance that accompanies it.
- The Adjudicator's opinion that he is entitled to a B3 Pension, but is in fact receiving a B1 Ordinary pension, is oxymoronic.

- The Adjudicator has regurgitated LFRS' interpretation of the Order, despite LFRS' historic inability to properly do so.
- The Order sets out the necessary formula to calculate the various awards due to retiring firefighters. They are simple. Under the formula, the B3 yield will always be greater than a Rule B1 Ordinary Pension, and if there is any doubt, Rule L4 (3) directs that the higher be paid.
- This confirms the mathematical logic, the compensating factors involved, and the statute's construction.
- The Rule B4 Injury Pension is a data by-product of Rule B3.
- The Adjudicator has failed to engage with the 57 page legally detailed submission, including two eminent Barristers' opinions, and has simply concluded "I do not agree".
- The Adjudicator made no reference to the Commentary, which was written for the benefit of laypeople such as he.
- The Adjudicator referred Mr N to an earlier determination, which Mr N was aware of, but had not seen. That determination did not address the same matters as this case, although it was similar, and that determination has never been published by the Ombudsman.
- Mr N's representative, the applicant in the previous case, has now shared the previous determination with Mr N, although the Adjudicator ought to have done so when issuing the opinion.
- The earlier determination relied upon by the Adjudicator, refers to the incorrect version of the Commentary. That version is irrelevant to Mr N's complaint. This error arose because LFRS, in the previous case, deliberately provided an incorrect version.
- LFRS has been criminally fraudulent in its handling of ill health pensions.
- The Adjudicator, encouraged by LFRS, failed to adequately investigate the matter, and made the facts fit his assumptions, ignoring the law when it suited.
- Mr N reiterated the questions of his complaint:

"Why am I being paid a basic Rule B1 Ordinary pension which is the correct payment I would have been entitled to had I retired by voluntary choice, or having completed my service uninjured?"

I did *not* retire voluntarily; *nor did I complete my Service* by reason of a no-fault Service 'qualifying' injury which led to my compulsory discharge.

Furthermore Statutory Instrument No:129 Rule B1.-(I); paragraph (c), *effectively prohibits* the payment of a Rule B1 Ordinary Pension to an employee who...

“does not become entitled to an ill-health award under rule B3.”...

In plain English, a Rule B1 Ordinary pension is paid unless the payee (myself) becomes ‘*entitled*’, as I am, to a rule B3 ill-health pension, by reason of a decision of the Lancashire Combined Fire Authority.

The LCFB (progenitors) of the LCFA, in accepting legal liability for my in- Service no-fault qualifying injury, stated that they compulsorily medically discharged me under Rule B3, an Ill-Health pension, and as a legal consequence, a Rule B4 Injury Award.

My entitlement to a Rule B3 pension is not disputed by the LCFA nor the TPO.” [original emphasis retained]

18. Mr N has a second representative who submitted an Appendix to Mr N’s submission. Whilst I have read the Appendix, as it involves matters wider than the complaint in front of me, I will not summarise it here or comment on it in my decision.

Ombudsman’s decision

19. It is open to the parties to accept or not accept the Opinion of an Adjudicator. In this case the complainant did not accept the Adjudicator’s Opinion and, as is usual, the case has therefore been referred to me to make a binding determination. I have reached my determination independently of the Adjudicator’s Opinion after consideration of the relevant legal provisions.
20. Mr N contends that the correct interpretation of the Scheme Rules requires LFRS to use an average pensionable pay in the calculation of his pension that would have been payable had he continued in service until his normal retirement, taking account of any promotions or pay increases he could have been entitled to. I do not agree with this interpretation of the Scheme Rules for the reasons set out below.
21. The pension payable under Rule B3 is calculated by applying a formula set out in Paragraphs 2 - 4 of Part III. Each of those calculations requires an input ‘A’. A is defined as ‘the person’s average pensionable pay.’
22. Paragraph 5(1) then creates a cap on the amount of ill health pension payable if it exceeds the ‘notional retirement pension’ which could have been earned if the firefighter had stayed in employment until retirement age:-

Paragraph 5(2) stipulates that “the notional retirement pension is to be calculated by reference to the person’s actual average pensionable pay.”

23. The actual average pensionable pay of the member is defined in Rule G1 (see Appendix 1), which states:-

“(3) The average pensionable pay of a regular firefighter is, subject to paragraphs (5) to (7), the aggregate of his pensionable pay during the year ending with the relevant date.”
24. For the purposes of Rule B4 (injury award) the relevant date is defined as the date of the person's last day of service as a regular firefighter.
25. The statute is perfectly clear in requiring use of the actual average pensionable pay as at the last day of service. If the intention was to use an alternative average pensionable pay as at a point in the future when the member's salary might have increased, then I consider Part III 5(2) would have stated that and explained the process of determining it.
26. It does not do so and I conclude that LFRS has correctly interpreted the provision.
27. Mr N and his representative have highlighted the Commentary to support their interpretation. The Commentary was not commented on by the Adjudicator, but I will address it here.
28. The Commentary cannot insert meaning into the Order. Therefore, even if the Commentary supported Mr N's position, in contrast to the content of the Order, it would not supersede it. In any event, I do not agree that the Commentary supports Mr N's argument.
29. The sentences intended to be relied upon by Mr N can be found in the passages of the Commentary set out in Appendix 2, and specifically, the wording: -

“...or what could have been earned by compulsory retirement age.
...
or what you could have earned by your compulsory retirement age.”
30. Mr N's position is that this relates to establishing the average pensionable pay required for the notional retirement pension, and that the calculation should take account of the unknown factor of what the individual's pensionable pay could have been at compulsory retirement age. He suggests that figure should be determined by the Chief Fire Officer based on what they think the likely salary could have been at the point of compulsory retirement. However, that interpretation implies a level of guesswork and forecasting that simply is not reflected in the methodology prescribed by the Order or illustrated in the Commentary.
31. Read in the context in which they are used in the Commentary, those two instances of “what could have been earned by compulsory retirement age” are references to the number of years of service, not the average pensionable pay. In both cases, the calculation described is based on a maximum of 40 years' service or the length of service that could have been earned by compulsory retirement age.

32. This position is supported by Example 7 set out within the Commentary (see Appendix 2 below). If that example is worked through, it shows that an individual who meets the criteria for a B3(4) pension should be paid a pension equivalent to the Ordinary B1 Pension, which is the approach LFRS has applied. Example 7 provides no allowance for a higher, assumed, average pensionable pay. If the Commentary intended to explain Part III 5(2) in the way Mr N asserts it does, I can see no reason for Example 7 to contain the variables or have the outcome that it does.
33. Based on the above, I find that the Commentary does not support Mr N's interpretation.
34. Mr N has also argued that his pension calculation is incompatible with Rule B1(1)(c) which states: -
- “(1) Subject to paragraph (2), this rule applies to a regular firefighter who retires if he then—
- ...
- (c) does not become entitled to an ill-health award under rule B3.”
35. I do not consider that this argument takes the issues any further because Mr N is not being paid a B1 Ordinary Pension. The pension he is in receipt of may be the same level as he would have received under a B1 Ordinary Pension, but it has been calculated as an entitlement under the B3 Ill Health provisions. In Mr N's circumstances Part III 5(2) restricts his ill health pension to the level of the B1 Ordinary Pension, but that does not mean it is being paid under the B1 Ordinary Pension rule.
36. On the point Mr N has made, about the intention of injured firefighters to be compensated in these circumstances in lieu of damages that might have been paid if the matter was taken to court, I can see nothing in the legislation as drafted that is unclear on its face. I can see no reason to force its natural reading to give effect to the policy as Mr N believes it to have been.
37. Mr N has accused LFRS of defrauding the Scheme's members of their rightful entitlement and implied that for me to not uphold the complaint would be illegal and in doing so I would be complicit with LFRS' alleged criminality. For the avoidance of doubt, I find that LFRS has paid Mr N the correct pension and I have seen no evidence of fraud.
38. Turning to the other points which Mr N's barrister has raised. I am not bound by the determination of my predecessor, but I cannot reopen it either. If Mr N wishes to appeal this determination he is rightfully entitled to do so, but I see no reason for my Office to pay the cost of it.

PO-19150

39. Therefore, I do not uphold Mr N's complaint.

Karen Johnston

Deputy Pensions Ombudsman

10 September 2019

Appendix

Appendix 1

The Firemen's Pension Scheme Order 1992

Part B

B1 Ordinary pension

- (1) Subject to paragraph (2), this rule applies to a regular firefighter who retires if he then—
 - (a) has attained the age of 50, and
 - (b) is entitled to reckon at least 25 years' pensionable service, and
 - (c) does not become entitled to an ill-health award under rule B3.

...

B3 Ill health awards

- (1) This rule applies to a regular firefighter who retires by reason of permanent disablement unless, immediately before his retirement, an election under rule G3(1) not to pay pension contributions had effect.
- (2) A regular firefighter who is entitled—
 - (a) to reckon at least two years but less than five years pensionable service becomes entitled on retiring to a lower tier ill-health pension calculated in accordance with paragraph 2 of Part 3 of Schedule 2; or
 - (b) to reckon at least five years' pensionable service becomes entitled on retiring—
 - (i) where paragraph (3) applies, to a lower tier ill-health pension calculated in accordance with paragraph 2 of Part 3 of Schedule 2, or
 - (ii) where paragraph (4) applies, to the pensions referred to in paragraph (5) ("the higher tier ill-health award").
- (3) This paragraph applies where, in the opinion of an independent qualified medical practitioner, obtained in accordance with rule H1, the firefighter is capable of undertaking regular employment.
- (4) This paragraph applies where, in the opinion of an independent qualified medical practitioner, obtained in accordance with rule H1, the firefighter is incapable of undertaking regular employment.
- (5) The pensions are—

(a) a lower tier ill-health pension calculated in accordance with paragraph 2 of Part III of Schedule 2; and

(b) a higher tier ill-health pension determined in accordance with paragraph 4 of that Part.

(6) A firefighter who is not entitled to a pension under paragraph (2), becomes entitled on retiring to a short service lump sum of an amount equal to the aggregate of his pension contributions.

(7) In paragraphs (3) and (4) "regular employment" means employment for at least 30 hours a week on average over a period of not less than 12 consecutive months beginning with the date on which the question of his disablement arises for decision.

Schedule 2 Personal Awards

Part III Ill-Health Pension

1 (1) Paragraphs 2 to 5 have effect subject to Parts VII and VIII of this Schedule, and paragraphs 3 and 4 have effect subject to paragraph 5.

(2) In paragraphs 2 to 4, A is the person's average pensionable pay.

2 Where the person has less than 5 years' pensionable service, the amount of the ill-health pension is—

$$\frac{A \times B}{60}$$

where B is the greater of one year and the period in years of his pensionable service.

3 Where the person has at least 5 but not more than 10 years' pensionable service, the amount of the ill-health pension is—

$$\frac{2 \times A \times C}{60}$$

where C is the period in years of his pensionable service.

4 Where the person has more than 10 years' pensionable service, the amount of the ill-health pension is the greater of—

$$\frac{20 \times A}{60}$$

and

$$\frac{7 \times A}{60} + \frac{A \times D}{60} + \frac{2 \times A \times E}{60}$$

where—

- D is the period in years of his pensionable service up to 20 years, and
- E is the period in years by which his pensionable service exceeds 20 years.

5

(1) Where—

(a) if the person had continued to serve until he could be required to retire on account of age, he would have become entitled to an ordinary or short service pension (“the notional retirement pension”), and

(b) the amount calculated in accordance with paragraph 3 or 4 exceeds the amount of the notional retirement pension,

the amount of the ill-health pension is that of the notional retirement pension.

(2) The notional retirement pension is to be calculated by reference to the person's actual average pensionable pay.

Appendix 2

Commentary on the Firefighters' Pension Scheme (as amended at May 2003)

“How much is the pension?

The sums are set out in Examples 1 and 4 to 7. The basis of the calculations is explained here. A firefighter's basic ill-health pension is never less than 1/60th of average pensionable pay (APP) and never more than 40/60ths (2/3rds) of APP, or what could have been earned by compulsory retirement age.

...

Your basic ill-health pension is:

Length of pensionable service (1)	No of 60ths of APP counting for pension (2)
less than 5 years	1 for each year (but never less than 1/60th)
5 - 10 years	2 for each year
10 - 13 years	20
more than 13 years	7 and 1 for each year up to 20 and 2 for each year over 20

(1) each day counts as 1/365th of a year even in a leap year.

(2) never more than 40/60ths of APP, or what you could have earned by your compulsory retirement age.”

Commentary on the Firefighters' Pension Scheme (as amended at May 2003)

Example 7

FIREFIGHTER'S ILL-HEALTH AWARD - PENSION

Example
7

The firefighter retires on grounds of ill-health after 27 years' 166 days service, aged 54 (ninety seven days short of age limit).

Pensionable service: 27 years 166 days
 Service after 20 years counts double
 (ie add 7 years 166 days):
 34 years 332 days (34.9096 years)
 Equivalent to 34.9096/60ths
Average pensionable pay: £15124

The pensionable service is enhanced by 7/60ths ("ill-health enhancement") subject to it not exceeding what he would have reckoned by the age of compulsory retirement (55) or 40/60ths in total.

Pensionable service at age limit: 27 years 263 days
 Service after 20 years counts double
 (ie add 7 years 263 days)
 35 years 161 days (35.4411 years)
 Equivalent to 35.4411/60ths

<u>Gross ordinary pension at age limit:</u>	
$\frac{35.4411}{60} \times \text{£}15124 = \text{£}8933.52$	
<u>Gross ill-health pension:</u>	£8933.52
<u>Commutation:</u>	
He commutes 1/4 of his gross pension:	
$\frac{\text{£}8933.52}{4} = \text{£}2233.38$	
<u>Lump sum:</u>	
At age 54 he receives £1390 for each £100 of pension commuted:	
$\frac{\text{£}2233.38}{100} \times 1390 = \text{£}31043.98$	
<u>Pension payable:</u>	
$\text{£}8933.52 - \text{£}2233.38 = \text{£}6700.14$	a year

⊙ A firefighter retiring on ill-health grounds will qualify immediately for Pensions Increase.

Ombudsman's Determination

Applicant	Mrs H
Scheme	Local Government Pension Scheme – Hampshire Pension Fund (the Fund)
Respondent	Hampshire County Council (the Council)

Complaint Summary

1. Mrs H has complained that the Council failed to carry out proper due diligence before it transferred her benefits from the Fund to The Focusplay Retirement Benefits Scheme (**the Scheme**). Mrs H is concerned that her entire pension fund may have been lost or misappropriated.

Summary of the Ombudsman's Determination and reasons

2. The complaint shall be upheld against the Council because it failed:
 - to consider correctly whether or not Mrs H had a statutory right to a transfer; and
 - to engage directly with Mrs H regarding the concerns it should have had with her transfer request, had the Council properly assessed it.
3. Having considered all the available evidence, I am satisfied, on the balance of probabilities, that but for the Council's maladministration Mrs H would not have proceeded with this transfer and suffered a loss.
4. To put matters right, the Council shall reinstate Mrs H's accrued benefits in the Fund, or provide equivalent benefits, adjusting for any revaluation that has arisen since the transfer and allowing for any lump sum that Mrs H has already received from the Scheme. To avoid "double counting", the Council will be entitled to recover from Mrs H the amount of her pension fund that in future the trustees of the Scheme are able to retrieve for her, if any.
5. Also, the Council shall pay Mrs H £500 to reflect the significant distress and inconvenience that Mrs H has suffered as a result of the Council not undertaking proper due diligence before it made the transfer payment.

Detailed Determination

Material facts

6. Mrs H began working for Portsmouth City Council's housing department in April 1989. At that time she opted out of membership of the Fund, a defined benefit arrangement. In April 2002 she elected to join the Fund for future service benefits. Mrs H became a deferred member of the Fund in November 2007, when her local government employment ended.
7. In 2013 Mrs H received a cold call from Pension Matters Associates Limited (PMA). Mrs H agreed that PMA could review her pension arrangements. In August 2013 PMA contacted the Council to ask for information about Mrs H's accrued benefits under the Scheme, including her current transfer value. PMA's letterhead did not specify that it was a regulated financial adviser.
8. On 6 September 2013 the Council sent PMA a transfer value statement, transfer request form, scheme discharge form and information summary. On the same day the Council informed Mrs H, and sent her a copy of the Pensions Regulator's action pack (dated February 2013) headed "Pension liberation fraud – The predators stalking pension transfers" (**the Scorpion warning**).
9. Mrs H completed and signed the transfer request form on 26 September 2013. The signed declaration section said:

"I have read the leaflet from the Pensions Advisory Service entitled "Predators stalk your pension"...I understand that...It is my responsibility to ensure the benefits the transfer value buys in the new scheme are suitable for me and my family and that no responsibility for this rests with the [Fund], the LGPS administering authority or my former employer...On payment of the transfer value I will have no further benefits from the [Fund] in respect of the rights to which the transfer value relates. Neither I nor my dependants will have any further claim in any circumstances or in any form on the [Fund], the LGPS administering authority or my former employer for any rights to which the transfer value relates."
10. On 13 November 2013 the scheme discharge form was completed and signed by Roger Bessent, then managing director of the Scheme trustee company, Gleeson Bessent Trustees Services Limited (GBTS), and was returned to the Council with several documents regarding the Scheme. These showed that the Scheme's sponsoring employer was Focusplay Limited, a company incorporated in 1999. Its principal activity was stated to be a steel stockholder in Warrington. Mr Bessent's covering letter said that the Scheme was registered with HM Revenue & Customs (**HMRC**) for tax relief purposes, and was a contracted-in defined contribution occupational pension scheme. A copy of the HMRC letter was enclosed.
11. When it checked the completed transfer documentation, the Council's pensions department noted:

“Receiving scheme was only set up on 2 May 2013. Member is over age 55 so risk of Pensions Liberation is reduced. The large amount of additional documentation sent by Focusplay would indicate that they realise that they arouse suspicions. However, they have been very clear in indicating that they are a contracted in defined contribution arrangement and the member will lose the right to a minimum benefit in respect of their section 9(2B) rights. There is no evidence of actual illegal activity and the member has declared on the discharge form that they have read the “Predators stalk your pension” leaflet, so on this basis the transfer must proceed.”

12. Later in November 2013 Mrs H’s benefits were transferred from the Fund to the Scheme. The transfer payment was £26,234. At her request Mrs H received a tax-free lump sum of £6,393 from the Scheme.
13. In late 2015 Mrs H became concerned about her remaining pension funds. She approached a claims management company, Whitehall Randall and Associates (**WRA**), for assistance. Mrs H told WRA that she had intended to use the tax-free lump sum provided by the Scheme to buy a funeral plan, as she did not want to burden her children with that future expense.
14. In a letter dated 15 January 2016, WRA told the Council that Mrs H may have been the victim of negligence caused by a financial adviser, and asked the Council for relevant documentation.
15. In its reply on 4 February 2016 the Council said that it had given Mrs H information on pension fraud/scams when quoting her transfer value.
16. In April 2017 the Financial Times reported that GBTS and a related company had been closed down by the High Court “in the public interest” following an investigation by the Insolvency Service.
17. In a letter dated 14 September 2017, WRA made a formal complaint to the Council that it had been negligent in making the transfer from the Fund to the Scheme. WRA said that the Council should have identified the Scheme as a possible scam, and should have prevented the transfer. The letter also said:

“The fact that PMA weren’t authorised was a clear and obvious red light that a scam was going on...why on earth a 59 year old lady, who lives in Portsmouth, would be cashing up a gold plated scheme and joining the money purchase occupational pension scheme of a “steel stockholder” based in Warrington? Did you enquire as to what “employment” she was taking up with them?”
18. In its reply dated 26 September 2017, the Council defended its position and said that:

“At the time of Mrs [H’s] transfer the scheme was legal and registered and the transfer was therefore processed in line with the scheme rules as well as in

accordance with [Mrs H's] formal request and her legal right and entitlement to a transfer out of her benefits.”

19. Mrs H then invoked the Fund's internal dispute resolution procedure (IDRP). In its stage 1 response on 27 November 2017, the Council's Head of Finance rejected Mrs H's complaint. He said that pension administrators could not refuse the request to transfer if the receiving scheme was properly registered, even if they had significant concerns about pensions liberation. In support, he cited the High Court judgment in the case of *Hughes v Royal London Mutual Insurance Society Limited* (2016) (**Hughes**).
20. He also pointed out that Mrs H's transfer had taken place in the fairly early days of pension scams. He would recommend that in future cases, where a pension liberation scheme was suspected, a final letter should be sent to the Fund member to outline the Council's concerns, referring again to the pension scam action pack and recommending that the member sought independent financial advice before transferring.
21. WRA did not accept the Council's decision. WRA said that the Hughes judgment hinged on the definitions of “earnings” and “earner” in relevant legislation and concerned a transfer from a personal pension plan to an occupational pension scheme, whereas Mrs H had transferred from one occupational pension scheme to another occupational pension scheme. WRA also said that the Council had made no enquiries about whether Mrs H was an “earner”; in fact she had no earnings as she lived on State benefits and looked after her elderly, sick mother.
22. The IDRP stage 2 decision letter was issued by the Council's Head of Legal Services on 5 March 2018. He rejected Mrs H's complaint, saying that the Hughes case was “authority for the proposition that a Pension Fund cannot refuse an appropriate request for transfer.” He also said that it was not relevant whether Mrs H was an “earner”. He added that, as Fund administrator, the Council was required “to accede to the legitimate request of a deferred pension[er] of full capacity and competence in circumstances where there was no lawful basis upon which it could refuse the request to transfer.”
23. WRA then contacted us on behalf of Mrs H.
24. The Pensions Regulator announced on 11 December 2018 that Mr Bessent had been charged with fraud by abuse of position and with making prohibited employer-related investments. At Preston Crown Court on 27 February 2019 Mr Bessent pleaded guilty to seven offences, for which he was later sentenced to 40 months' imprisonment.

Summary of Mrs H 's position

25. She was not financially aware, as shown by the fact that she did not join the Fund, a defined benefit arrangement, until several years after she first became eligible.

26. Until she was contacted by PMA in 2013 she had not thought about transferring her deferred pension benefits.
27. When PMA contacted the Council, it should have noted that PMA was not authorised to give Mrs H financial advice.
28. The PO determination in 2018, in favour of Mr N against Northumbria Police Authority (PO-12763), supports her case, as in that case The Pensions Ombudsman asked “whether the Authority only had to send the Scorpion warning to Mr N, or should have done more” and the Pensions Ombudsman concluded that “it should have done more...Put simply, there should have been some direct engagement from the Authority before it finalised Mr N’s life-changing request. This has been expected by the Pensions Regulator since February 2013. In practice, the Authority did not engage with Mr N about his transfer request at all.”
29. Mrs H was never asked by the Council whether she had got a new job in Warrington, or warned by the Council that the Scheme might be a scam. If the Council had contacted her, she would have changed her mind about making the transfer.
30. Mrs H’s transfer could be distinguished from the Hughes case because Mrs H was transferring from one occupational pension scheme to another occupational pension scheme.

Summary of the Council’s position

31. Mr N’s case can be distinguished, because the Council had sent the Scorpion warning to Mrs H before her transfer, so she should have been aware of possible scams. She also signed a discharge form, implying she had read it.
32. The Council made the necessary checks when it received the completed transfer documentation, and it could not refuse to process a statutory transfer request.
33. The Hughes case supported the Council’s position; it did not require the relevant member to have current earnings, and such a requirement would infringe age discrimination legislation because Mrs H was an older deferred pensioner.
34. At the time of the proposed transfer in 2013 there was no reason for the Council to suspect any illegality.
35. There was no requirement at that time for Mrs H to obtain advice from a FCA registered financial adviser.
36. The Council acted in accordance with transfer guidance given by the Local Government Association and said, “the only thing that we could have done that we did not do was to refuse the request to transfer the funds”.
37. With regard to Mrs H’s distress and inconvenience, this stemmed from the fraudulent misappropriation of her pension funds in the Scheme, not any action or omission by the Council, so the Council should not be required to pay her £500.

38. In recent correspondence, the Council provided evidence that through a different financial adviser Mrs H had made a request for her cash equivalent transfer value in 2010. Therefore WRA was incorrect in stating that until she was contacted by PMA Mrs H had never thought about a transfer out.
39. The Council also said that if any remedy were to be awarded to Mrs H, it should take account of any benefits she had already received from the Scheme.

Conclusions

40. I note that the Scorpion warning was issued by the Council to Mrs H, and that Mrs H signed a scheme discharge form. Mrs H's transfer documentation was received by the Council in November 2013 and the transfer was completed in the same month. This was nine months after the Pensions Regulator's pension liberation fraud guidance of February 2013 was issued. However, the pensions industry was aware of possible pension scams before the Scorpion warning was published.
41. The Council has agreed, in hindsight, that it transferred Mrs H's pension benefits under the Fund to a scam pension arrangement, and it seems highly likely that she has lost all or most of her pension benefits as a consequence, so there is no dispute that Mrs H has been financially disadvantaged as a result. This has clearly been a very distressing matter for her.
42. In a number of our previous determinations, (see for example Jerrard PO-3809 and Stobie PO-3105) we have said that February 2013 marked a point of considerable change in the level of due diligence expected of scheme trustees, managers and administrators when considering transfer requests. In complaints we have seen relating to events since that date, we have noted the increased levels of enquiry and due diligence that have been employed throughout the industry. Indeed, many of those complaints alleged that providers were delaying too long in making a legitimate transfer due to the obligations they had to fulfil.
43. Although that could amount to a valid maladministration complaint for undue delay, the overriding consideration for a scheme trustee or administrator must be to evaluate the transfer application carefully in order that a valid statutory transfer right is complied with and an invalid transfer application is legitimately withheld.
44. I accept the Council's point that in 2013 it was not compulsory for Mrs H to obtain advice from a financial adviser who was registered with the FCA.
45. However, the other points raised by the Council in its defence are based on the premise that the Council could not refuse to implement the transfer because Mrs H had a statutory right to transfer under the Act. That is incorrect. Mrs H was transferring from one occupational pension scheme to another occupational pension scheme. Under s.95(2) of the Pension Schemes Act 1993 (**the Act**), Mrs H could only take a cash equivalent transfer value from an occupational pension scheme to acquire "transfer credits" in the new arrangement.

46. Transfer credits are defined in s.181 of the Act, as rights allowed to an “earner”. Following Hughes, the earnings required do not need to come from the principal employer of the Scheme (Focusplay Limited), but there do need to be some earnings from employment. However, when the transfer was made Mrs H had no employment earnings as she was living off State benefits. This meant that she was unable to obtain transfer credits in the Scheme. Therefore, she was not an “earner” as defined.
47. The Council expressed the view that the Hughes judgment did not require the transferring member to have current earnings in order to qualify as an earner. However, as is clear from the judgment (and confirmed by a representative of my Office who was present throughout the hearing) there was a discussion in court about former employees of a scheme employer who had retired, but that was not Mrs Hughes’ situation and in the absence of full argument or clarity on how that point should be dealt with, the judge and the parties proceeded on the basis that in order to obtain transfer credits the applicant had to be a current earner from an employment of some sort. Paragraph 32 of the Hughes judgment reads “As it is agreed that Ms Hughes was an earner by reason of her earnings from another source or sources, it follows that she was entitled to require Royal London to transfer the cash equivalent...”. In contrast, Mrs H did not have any earnings. She lived off State benefits.
48. Therefore, Mrs H had no statutory right to transfer to the Scheme. Instead, the Council had a discretion whether or not to allow a requested transfer. The Council’s note on the completed transfer forms that “the transfer must proceed” strongly implies that the Council was unaware of the correct legal position and suspected a scam.
49. It is possible that a future case or a change in legislation may provide further clarity on the situation for those on benefits or others not in receipt of ‘earnings’ within the meaning of the Social Security Contributions and Benefits Act 1992. However, at this time, Mrs H’s statutory right to transfer had not been made out.
50. In the absence of a statutory right to transfer, the Council had a discretion whether or not to implement the requested transfer. As Mrs H was already a deferred pensioner, having left employment (unlike Mr N), and was age 59, it should have been clear to the Council that there might be an earnings problem. Therefore, in view of its suspicions, the Council should have made enquiries of Mrs H before deciding whether to allow the transfer, but it failed to do so.
51. The Council’s failure to recognise the correct legal position and, as a consequence, its failure to conduct further due diligence before making the transfer amounts to maladministration.
52. The type of analysis contained in our previous determinations and expected by the Pensions Regulator, and subsequently seen in practice in the pensions industry, is not present in the Council’s actions in this case.
53. If the Council’s pensions team had realised that it had a discretion whether or not to make the transfer, it seems likely that based on the Scorpion warning it would have

noticed several “red flags”: Mrs H was approaching her normal retirement age and was living on the South coast, but the employer running the Scheme was a steel stockholding company and was based several hundred miles away. Also, the Scheme was recently established. In that situation, one would have expected the Council to make an attempt, by phone or email, to explain its concerns to Mrs H and to point out the possibility that the Scheme could be a scam. Unfortunately, it failed to contact her at all and quickly processed the transfer request as though it had no choice in the matter.

54. For example, the Council did not ask Mrs H whether she had an employment connection with Focusplay, or why she wanted to transfer from the Fund to a new occupational pension arrangement established by a steel stockholder company located several hundred miles away.
55. As I determined in the case of Mr N, the respondent in the present case “should have done more”. I do not agree that the only thing that the Council did not do but could have done was to refuse the request; it could have asked questions.
56. I cannot be certain in hindsight how Mrs H would have reacted if she had received cautionary information from the Council in 2013. She may have gone ahead with the transfer in any event. On the other hand, she may have withdrawn her transfer request. In my view, having carefully evaluated the circumstances, it seems more likely than not, on the balance of probability, that she would have changed her mind and withdrawn her transfer request in those circumstances.
57. I say that for the following reasons:
 - Firstly, as the Council was aware, Mrs H had opted not to join the Fund in 1989, even though it was a generous defined benefit arrangement providing pension and life assurance benefits. It was not until April 2002 that she elected to join the Fund. This meant that when she left the Fund in 2007 her accrued benefits were much smaller than they would otherwise have been. This strongly suggests that she was not financially aware, and was susceptible to being taken advantage of.
 - Secondly, Mrs H told her representative that she intended to use the tax-free lump sum provided by the Scheme to buy a funeral plan, as she did not want to burden her children with that expense. This suggests that Mrs H was not seeking financial gain for herself, did not benefit herself from the transfer, and did not appreciate that a significant lump sum would have been payable by the Fund on her death, which could have paid for her funeral. Again, this demonstrates that she was not financially aware.
58. In my view, had the Council made contact with Mrs H when she submitted the transfer request, to explain the risks of leaving her existing scheme with its various protections; that the circumstances of her transfer request were unusual; and that the new scheme was unknown to the Council but would not have the same protections, she would in all likelihood have changed her mind.

59. Bearing these points in mind, it is my view that the Council's failure to contact Mrs H, express the risks and its concerns, and enquire into the matter further were crucial. The Council's actions constitute maladministration, falling below the standard required of a prudent pension provider, and have led to Mrs H losing all or most of her pension benefits. I consider that accordingly, Mrs H should be compensated by the Council.
60. Therefore, I uphold Mrs H's complaint, because the Council erroneously concluded that it had to make the transfer from the Fund to the Scheme, instead of making further enquiries and then considering how to exercise its discretion whether or not to permit the transfer.
61. I accept the point made by the Council that any remedy to be awarded to Mrs H should take into account any benefits that Mrs H has already received from the Scheme. Otherwise there would be double counting.
62. In addition, in my view there is a sufficiently strong link between the Council's maladministration and the distress caused to Mrs H to justify the award of a lump sum for her significant distress and inconvenience.

Directions

63. To put matters right, within 28 days of the date of this Determination, the Council shall:
 - (1) reinstate Mrs H's accrued benefits in the Fund, adjusting for any revaluation that has arisen since her transfer from the Fund to the Scheme in 2013, and allowing for the lump sum that Mrs H has received from the Scheme; and
 - (2) pay Mrs H £500 for the significant distress and inconvenience she has suffered as a result of the Council not undertaking more due diligence before it made the transfer payment.
64. If in future the trustees of the Scheme manage to retrieve some or all of Mrs H's pension fund for her benefit and provide the Council with satisfactory evidence that has happened, the Council shall be entitled to recover that amount from Mrs H.

Anthony Arter

Pensions Ombudsman
28 August 2019



OFFICIAL

Legislative Update

Local Pension Board

Date: 31 January 2020

Agenda Item:

9

Submitted By: Chief Employment Services Officer

Purpose To provide a legislative update to Members on matters related to the Firefighters' Pension Scheme(s)

Recommendations That the report be noted.

Summary It is a requirement of the Public Service Pensions Act 2013 and subsequent 2015 regulations, for Members of a Local Pension Board to have a knowledge and understanding of the law relating to pensions and such other matters.

This report provides an update on the latest relevant legislative issues.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Officer
T: 01274 655811
E: Claire.johnson@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex A – Transitional Protections – legal challenge
Annex B – Revised GAD Factors

1 Introduction

- 1.1 It is a requirement under the Public Service Pensions Act regulations that Members of a Local Pension Board have a knowledge and understanding of the governance and administration of the relevant pension schemes.

2 Information

- 2.1 In accordance with this requirement attached to this report are three updates on the following legislative issues;

- Transitional Protections – legal challenge
- Revised GAD Factors

3 Financial Implications

- 3.1 At this stage it is unclear as to whether any financial implications will arise from the transitional protection determination.

4 Legal Implications

The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

5 Human Resource and Diversity Implications

- 5.1 There are no HR or diversity and equality implications of this update.

6 Health, Safety and Wellbeing Implications

- 6.1 There are no health and safety implications arising directly from this report.

7 Service Plan Links

- 7.1 Keeping Members updated with regard to pension legislation is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to provide "effective and ethical governance".



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«Address6»

Circular: 2019HOC0658MW

16 December 2019

TO: **All Members**

Dear Brother/Sister,

PENSIONS: AGE DISCRIMINATION CLAIMS: REMEDIES HEARING 18 DECEMBER 2019

This circular contains important information for members who joined the fire and rescue service before 1 April 2012.

Having won our landmark discrimination claim earlier this year, the case has now returned to the Employment Tribunal to determine what the Government and the Fire and Rescue Authorities must now do to rectify the position.

An initial hearing has been listed to deal with this on **18 December 2019**. It will be followed by further hearings that deal with some of the issues in more detail. The purpose of this circular is to provide an overview of the process, and an outline of the likely final outcome.

The Government accepts that the rules which required members to transfer from the 1992 and 2006 pension schemes to the 2015 scheme are unlawful. The rules will have to be amended, but that will take time.

However, the Government also accepts that changes will have to be made **now**, without waiting for new legislation, so that members who leave the fire and rescue service (or who have done so recently) receive the benefits to which they are entitled as a result of the discrimination case. That is what the Employment Tribunal should now deliver although (as explained above) the full remedy may take further hearings.

The Employment Tribunal will also decide what compensation must be paid to members who have lost money as a result of the unlawful discrimination, and what compensation must be paid to members for the upset and anger they have been caused.

1. A “Declaration”

A Declaration is a formal order from a court or tribunal, stating what the law is. The Government and the FRAs will have to abide by the terms of the Declaration which the Employment Tribunal makes, whatever the scheme rules say. Discussions about the Declaration have been taking place prior to the hearing.

The Government has already confirmed that it will consent to a Declaration being made by the Employment Tribunal, the effect of which will be to override the rules. The wording is likely to be agreed. It would say that all members who did not satisfy the age-based requirements for full protection (i.e. they were too young) are entitled to be treated as if they did satisfy them. That would mean that all members of the 1992 Scheme or the 2006 Scheme who were in service on 31 March 2012 would be entitled to be treated as if they had never left.

Note that the wording is “**entitled to be treated ...**” not “**must be treated ...**”. Our lawyers have carefully analysed the differences between the three schemes. In almost all circumstances a member who has a choice between the 1992 Scheme and the 2015 Scheme will be better off on 1992 Scheme terms. That is not necessarily the case for a member who has a choice between the 2006 Scheme and the 2015 Scheme – in some circumstances they would be better off if they are treated as if they are a member of the 2015 Scheme. The Government accepts that no-one should be worse off as a consequence of unravelling the 2015 changes.

The important point is that, provided that you were employed before 1 April 2012, if you were in the 1992 Scheme you would be back in the 1992 Scheme. If you were in the 2006 Scheme you would be back in the 2006 Scheme, provided that it is a better pension scheme for you.

2. Compensation

We have made a claim for compensation for members who have lost money as a consequence of the 2015 changes. This is not likely to affect many members. The only clear exception is for members who have lost money because they have had to retire on the terms of the wrong pension scheme. That is outlined in more detail below. We will ask all members who believe that they have suffered a financial loss for further details of their claim early in the New Year.

We have also claimed compensation for the non-financial damage which has been caused. This is called “injury to feelings” by lawyers, and covers issues such as anger, upset, anxiety and, in severe cases, depression. In most cases the degree of injury to feelings will be the same for everyone. Again, we will ask all members who believe that they have suffered more than most for further details of their claim early in the New Year.

3. In practical terms: what does this mean now?

The retirement plans for most members of the 1992 and 2006 Schemes will not yet be affected by the changes made in 2015. Either they remained in the 1992 or 2006 Scheme (because they are older than the members who had to transfer) or they were transferred to the 2015 Scheme but are not yet old enough to retire. But there are some exceptions.

If you think you are within one of these exceptions (or if you know someone else who may be) it is important that you tell us now by contacting local FBU officials.

(a) Ill-health retirement

The clearest cases are for members who have applied to retire early on the grounds of ill-health. The criteria used to decide whether a member qualifies for upper-tier ill-health retirement are more favourable in the 1992 Scheme, and the ill-health benefits in the 1992 Scheme are different too, and in most cases they are better. This means that some members might have applied for an ill-health pension and not succeeded because the 1992 Scheme rules were not applied. It also means that some members might have retired on ill-health grounds, but their pension is smaller than it should be.

Once the Declaration has been made, the Fire and Rescue Authorities will have to re-examine the ill-health applications they have dealt with since 31 March 2015. If any member is worse-off because the 2015 Scheme rules were applied, their benefits would have to be improved, retrospectively. Any new applications would have to be dealt with under the terms of the correct scheme. That would apply immediately.

(b) Age retirement – the “rule of 75”

Under the 1992 Scheme rules, a member who is over the age of 50 can retire once they have completed 25 years’ service: that is, their age added to their length of service is equal to 75 or more. That was not replicated in the 2015 Scheme.

We have now reached the point where some 1992 Scheme members with tapered protection have been transferred to the 2015 Scheme, and now have a retirement age of 60, whereas they would have been able to retire under the 1992 Scheme terms. If you find yourself in this position, you could still retire. Your 1992 Scheme pension would not be reduced, but the bit of pension you have earned under the 2015 Scheme would be.

Once the Declaration has been made, you would be entitled to be treated as if you had never left the 1992 Scheme. If you do retire, and if your pension is reduced as a result, the reduction will have to be disapplied retrospectively.

(c) Contributions

The contributions that members of the 1992 Scheme pay are higher than the contributions paid by 2015 Scheme members. That is because it is a better pension scheme. But if members are put back in the 1992 Scheme, one side effect will be that they have to pay the higher contribution rate, and pay the arrears going back to 1 April 2015.

We will negotiate the terms for payment of arrears. They should not have to be paid as a single lump sum, but 1992 Scheme members should start budgeting and planning for this now.

4. When will this all take effect?

The Declaration will be binding as soon as it is made. If, as we anticipate, the wording is agreed the Declaration will be made on 18 December.

Strictly speaking, in the first place it will apply only in England and Wales. Similar Declarations will need to be made by the Scottish Employment Tribunal and the Northern Ireland Industrial Tribunal, but that will inevitably follow (probably without the need for a hearing at all).

It may take the Fire and Rescue Authorities a little time to redesign the forms they use for processing retirements, on the grounds of ill-health or otherwise, and we have started the process of getting that implemented. But your retirement terms do not depend on the forms that are used. Further advice will be issued to FBU Brigade officials to assist in this. So:

- If you are going through the ill-health retirement process at the moment, you should insist that the 1992 Scheme rules are applied if you were a member of the 1992 Scheme.
- If you have retired recently on the grounds of ill-health you should tell the Fire and Rescue Authority that you want your case reconsidered. You should also tell us. The Government has asked us to assist with identifying all of the members who might have been retired on the wrong terms.

- If you were a member of the 1992 Scheme and you have reached the age when you could have retired under the 1992 Scheme rules, you should consider whether you want to do so now. If you do, tell the Fire and Rescue Authority, and tell them that you want to retire under the terms of the 1992 Scheme. Tell us too by contacting local FBU officials.
- If you have recently retired, and if you were a member of the 1992 Scheme and had to transfer to the 2015 Scheme, tell the Fire and Rescue Authority that you want any reduction that was made to your pension disapplied. Tel us too so that we can identify your case to the Government.

Sorting out the issues relating to compensation for financial losses and for injury to feelings will take a little longer. The Government is likely to resist these claims and it may take until the autumn of next year to get them resolved. Any issues relating to increased contributions, and arrears of contributions, are likely to be resolved at the same time.

5. ... and in the longer term

As explained above, the Government will need to amend the legislation. The devolved administrations will have to do so too. The discriminatory provisions must be removed. What cannot happen is that members who had to transfer to the 2015 Scheme are transferred to it again retrospectively.

We must anticipate that the Westminster Government and the devolved governments will try to worsen benefits earned by future service at the same time, to recoup some of their losses. We have the right to be consulted before any changes are made, and we will engage in the process vigorously, as we did last time.

We will keep you informed of developments.

Yours fraternally,



MATT WRACK
General Secretary

MW/kc

From: [Nicola Daniel](#)
To: [Alison Harrison](#); ["Andrew Lister"](#); [Aspin, Steve](#); [Caroline Gourlay](#); [Claire Johnson](#); [David Greensmith](#); [David Hood](#); [David Lofthouse](#); [Davies Claire](#); [Debbie.Yeates@lincoln.fire-uk.org](#); [fmansfield@bucksfire.gov.uk](#); [Harry Hubber](#); [Irina Volkova-Heath](#); [Jacky Manning](#); ["Lewis, Sharon"](#); [Mowl, Elizabeth](#); [Sarah Keyes](#); [Simon Long](#); [Steven Pope](#)
Cc: [Helen Scargill](#); [Stuart Duncombe](#)
Subject: FBU Circular
Date: 17 December 2019 10:00:02
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)

Dear All

You may have seen the FBU bulletin about Wednesday's Case Management Hearing <https://www.fbu.org.uk/circular/2019hoc0658mw/pensions-age-discrimination-claims-remedies-hearing-18-december>

WYPF will advise any firefighter that contacts us regarding this as follows:

- Any Declaration made will only apply to a **claimant i.e. an individual who is an FBU member. Non FBU members** will need to wait until the full legislation is passed later next year to be eligible for remedy.
- Currently we have no guidance as to how to implement any changes that might be required by the Declaration and we will need to wait for **Home Office to issue guidance** before we can proceed – this may not be available for several weeks due to the Christmas break.
- If someone thinks that they are affected by the Declaration and are due to retire after 18/12/2019 having transitioned into the FPS 2015 **we will be notified by their FRA on the retirement form as to whether they qualify for revised benefits** so we can't take any action on the basis of a phone call or email from the member.

We will not therefore be able to process any retirement cases:

- Until full guidance has been received from Home Office on how we can implement the terms of the Declaration and
- without explicit confirmation from the FRA that the member falls under the terms of the Declaration (please confirm in the comments box on the retirement form).

This is our current understanding of the situation and may change in the light of the Declaration when it is issued.

Any queries please contact Helen or myself.

Kind regards

Nicola

Nicola Daniel

Member Services Manager

West Yorkshire Pension Fund

Tel: 01274 43 7561

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City of Bradford Metropolitan Council

Chief Executive's Department

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Circular: 2019HOC0664MW

19 December 2019

TO: All Members

Dear Brother/Sister

**Pensions: Another Step Forward in our Fight
Important Information Following Employment Tribunal Remedy Hearing**

The Employment Tribunal has now considered our pensions case. This circular provides a summary of the outcome and advice for relevant members on what to do next.

Please note that these matters can be complicated and not every question can be addressed in a single circular. We will be working to provide a Frequently Asked Questions (FAQ) document in due course.

Over the next few days further information will also be issued to FBU brigade officials to assist with individual cases and with the queries which arise from this case.

Interim Declaration

The ET has issued an Interim Declaration. This is binding on Fire and Rescue Authorities and means that it addresses immediate issues which arise before a Final Declaration is issued. The Final Declaration will be issued after further hearing in July 2020. The reason the Interim Declaration was needed is that some members are already directly affected by the application of the pensions legal judgement (i.e. that the transitional protection arrangements were found to be discriminatory).

These immediately affected members are:

1. Members who were members of the 1992 scheme and who are not covered by transitional protection or tapered protection
2. Those who have been subject to ill-health retirement where the employer has used the 2015 rules rather than the 1992 rules; or members who are imminently approaching this position.
3. Those who could have retired by choice under the 1992 regulations, (i.e. who were members of the 1992 scheme, are 50 and have at least 25 years' service) but have not done so because they have been transferred to the 2015 scheme; or members who are imminently approaching this position.

Interim Declaration Meaning

The meaning of the Interim Declaration is that the claimants are entitled to be treated as members of the 1992 scheme. This affects the application of the rules relating to ill-health pension and to retirement on grounds of age. The rules of the 1992 scheme must now be applied to them.

This will apply to any claimants who are currently in the process of retiring or who have already been retired on grounds of ill-health since 31 March 2015 using the incorrect rules. It also applies to those who are eligible to retire on grounds of age and length of service and who wish to retire now.

Further Issues to be Addressed

The issues raised by our case are complex and further discussions and further hearings will be required to resolve all of them. This is simply the next step along the road. Other issues to be addressed include financial losses, back payment of pensions and compensation for injury to feelings.

The issue of contributions will also need to be addressed. Members should consider budgeting for this now. However the union will seek mechanisms to minimise the impact on individuals. We are proposing that this can be done by periodic payments over the individual's remaining career or out of any lump sum payable on retirement. (A similar arrangement was negotiated in the case of the RDS modified scheme).

Next Steps: What Do I Need to Do?

Please follow the FBU website and circulars closely.

1. Are you an unprotected member of the 1992 scheme? Are you are an immediately affected member due to the following;
 - a. You have been retired on health grounds under the rules of the 2015 scheme, or are facing this process imminently?
 - b. You could retire on grounds of age and length of service under the rules of the 1992 scheme but have not yet done so; or you are approaching this position?

In these cases you should contact your **FBU local officials** and **your employer**, stating that your circumstances must be addressed under the 1992 rules. FBU officials will be provided with further advice on this.

2. Are you an unprotected member but not immediately affected by factors in 1. above. Please consider the issue of budgeting for pension contributions (please see the section above on this issue).
3. Are you an unprotected members but did **not** register as a claimant? Please follow the FBU website. The website will shortly open a section for members to ensure they are covered by the FBU claim. Please note that you will need your membership number to register a claim.

There will be further circulars to address this issue. Please follow the circulars, videos and the FBU website to ensure you are kept up to date on these issues.

Yours In Unity



MATT WRACK

General Secretary

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**To: Chief Fire Officers
Chief Executives/Clerks to Fire Authorities
Chairs of Fire Authorities
Directors of Human Resources**

Members of the Employers' Side of the NJC

18 November 2019

CIRCULAR EMP/8/19

Dear Sir/Madam,

TRANSITIONAL PROTECTIONS PENSIONS CLAIMS INTERIM ORDER ON REMEDY

This circular concerns the interim order on remedy (the Order) for the above claims, which was made by the Employment Tribunal at today's preliminary hearing. A copy of that Order is attached (it is in draft format as the final version has not yet been sent out by the Tribunal).

Background

As a reminder these claims concern the issue of whether the transitional protections in the 2015 Fire Pension Scheme (FPS), which provide protections based on age allowing older members to remain in their former final salary scheme, are age discriminatory (other claims were made but it is the age discrimination claim which is the primary one). As they were named as respondents in the case, Fire and Rescue Authorities (FRAs) had to submit a defence to the legal challenge. This defence has been managed collectively on behalf of the FRAs by the LGA under the auspices of the National Employers and decisions have been taken by a central steering group made up of a number of FRA representatives.

In December 2018 the Court of Appeal found that the transitional protections unlawfully discriminated on age and the case has therefore returned to the Employment Tribunal for it to determine remedy.

The Employment Tribunal Order

The Order is only an interim order and does not bind the parties beyond the limited interim period before the final declaration. It was agreed by all parties and the main points of it and considerations for FRAs are as follows.

Paragraph 2 of the Order in effect provides that pending the final determination of all of the remedy issues, those that brought claims in England and Wales (the claimants) are entitled to be treated as if they remained in the in 1992 FPS. The

Order anticipates that the final determination on that remedy issue in regards to membership of the 1992 FPS should be resolved around mid-July 2020, although it should be noted that even when we have a final determination on that issue it may be some time before this part of the remedy can be put into effect for all claimants. Further there may be other issues relating to remedies to be resolved, for example in regards to claims for injury to feelings.

So that FRAs can implement this provision of the Order we are pushing the Home Office to quickly issue guidance on implementation which should amongst other factors cover the following points:

- Dealing with ill-health retirements, including on the IQMP process
- Backdated employee contributions (the current contribution rates for the various FPS are available here - <http://www.fpsboard.org/images/PDF/Bulletin18/Appendix2.pdf>)
- Taper members due to taper into the 1992 scheme from 21 January 2020
- Immediate normal retirements from age 50 with over 25 years of service¹

Pending that guidance, FRAs should take no immediate steps save that if they are dealing with ill-health retirements, to avoid delay, they should ask the IQMP to assess the applicant under both the 1992 FPS and 2015 FPS rules. They should also identify all applications for ill-health retirements on the 2015 FPS since 1 April 2015, so they are in a position to take steps once we have Home Office guidance. Please be aware also that a small working group of software providers and administrators, working alongside the Home Office and the LGA, are looking at practical issues with regards to effecting remedy.

The Order also covers other remedy issues, such as any potential claims for injury to feelings.

The Order only covers the existing claimants in England and Wales, all of whom were in the 1992 FPS (your authority's Nominated Contact should have a list of your claimants). It does not cover those who did not bring claims (non-claimants). However, discussions are taking place on how to provide a remedy for those non-claimants as appropriate. It is also anticipated that in due course remedy will also be put in place in Scotland and Northern Ireland.

Finally, the wording in the Order protects the FRAs' appeal on the Schedule 22 issue, which is currently with the Employment Appeal Tribunal (EAT). In summary, the Schedule 22 is our defence in the age discrimination claim that we were obliged by legislation to act as we did in implementing the pension transitional arrangements, and so we should not be liable. That appeal is currently stayed and any further stay of that appeal will be considered shortly.

Yours faithfully,



Gill Gittins

¹ <http://www.fpsregs.org/images/admin/RetirementFPS2015v1.pdf>

Case Nos: 2202235/2015

1303751/2015

1401812/2015

1601172/2016

1601173/2016

IN THE LONDON CENTRAL EMPLOYMENT TRIBUNAL

BETWEEN:

RACHEAL SARGEANT & Others

Claimants

-v-

- (1) LONDON FIRE AND EMERGENCY PLANNING AUTHORITY**
- (2) WEST MIDLANDS FIRE AND RESCUE AUTHORITY**
- (3) CORNWALL FIRE AND RESCUE AUTHORITY**
- (4) SOUTH WALES FIRE AND RESCUE AUTHORITY**
- (5) THE SECRETARY OF STATE FOR THE HOME DEPARTMENT**
- (6) THE WELSH MINISTERS**

Respondents

DRAFT AGREED DIRECTIONS

1. The current stay be lifted only in respect of the claims for age discrimination and to the extent of the following orders and directions. Save to that extent, all current and new claims remain stayed.

2. The proposed interim declaration as follows be made:

Pending the final determination of the issues of remedy, all existing Claimants who, by reason of their age would not satisfy paragraphs 12(2)(c), 12(3)(c), 13(e) or 14(e) of Schedule 2 to

the 2014 English Regulations or the 2015 Welsh Regulations from 31st March 2015 are entitled to be treated as satisfying those paragraphs from that date.

3. For the avoidance of doubt, the adoption of the interim declaration at paragraph 2 above is:-
 - a. without prejudice to any argument that may be raised by any party as to the proper wording of the final declaration;
 - b. without prejudice to the outstanding appeal by the 1st, 2nd, 3rd and 4th respondents in relation to the decision of the Employment Tribunal dated 22 June 2016.
4. The Claimants and the Respondents will send to each other and the Tribunal the wording of any final declaration that they seek in these cases by (*6th March 2020*).
5. No later than (*27th March 2020*) the Claimants and the Respondents will confirm to each other and to the Tribunal whether they agree the wording of the final declaration proposed or, if not, explaining why they do not agree and confirming or revising their own wording as appropriate.
6. The Claimants shall provide the following information by (*12th June 2020*):
 - i. The identity of any of the Claimants who are claiming an award for injury to feelings;
 - ii. The *Vento* band in respect of which each such Claimant claims injury to feelings;
 - iii. Whether that Claimant also claims damages for personal injury and/or aggravated damages;
 - iv. The basis for their claims for non-pecuniary loss.

7. The Respondents shall provide a response by (*4th September 2020*). If it is suggested that no compensation can or should be awarded as a matter of principle, the basis for this suggestion is to be set out.
8. As for claims for other financial losses, the Claimants are to provide by (*12th June 2020*):
 - i The identity of any of the Claimants who claims an award for financial losses;
 - ii For any such Claimant, details of the heads of loss and the sum under each head of loss claimed;
9. The Respondents to provide a response to this information by (*4th September 2020*), including:
 - i. Which heads of loss they accept should be remedied and their proposals in that regard; and
 - ii. Which, if any, heads of loss they say should not, as a matter of principle, be remedied and why not.
10. By (*18th September 2020*), the Claimants and the Respondents shall seek to agree 8 to 12 sample claims in respect of injury to feelings to be considered at a hearing.
11. A telephone case management hearing shall be listed for 18th March 2020 to review progress and give further case management directions.
12. A further hearing be listed for 1 day on 17th July 2020 with a view to determining the final form of declaration and, if appropriate, any other outstanding directions on remedy issues. This hearing will be listed as a Final Hearing of part of the issues and the parties consent to this being before a judge sitting alone. Any requirement for this consent to be in writing is waived. For the avoidance of doubt the parties do not consent to any issue as

to injury to feelings being heard by a judge sitting alone and such a hearing will be listed before a full Tribunal with members.

13. Skeletons to be exchanged and lodged 3 days prior to the hearing on 17th July 2020 i.e. by 4pm on 13th July 2020.
14. Further directions in respect of all stayed cases and claims to be given at the hearing on 17th July 2020.
15. Any application to lift the stay in any case must be made in writing on at least 14 days' notice to all other parties.
16. Liberty to all Claimants to apply to vary the said directions.

From: [Ian Brandwood](#)
To: [Everyone1](#)
Subject: Firefighter Pensions Scheme
Date: 20 December 2019 14:09:09

There was a further meeting at the Employment Tribunal on Wednesday 17th December 2019 in connection with the Court of Appeal decision last December which determined that the changes to the Firefighters Pension Schemes were illegal.

The Remedy Hearing confirmed that members of the 1992 Pension Scheme are entitled to be treated as if they remained in that scheme. There is still significant detail to work through and, indeed, the Employment Tribunal have set out a timetable that runs through to September 2020 in order for all matters to be determined. In the meantime, guidance is being sought from the Home Office as to how the Judgment should be implemented. That guidance is awaited.

The first priority will be to deal with those that have recently retired partly with 2015 pensions, those that have taken ill health retirement and those that will be retiring in the next few months

Whilst we realise that this is an important matter for affected staff, we are not in a position to advise you further at this point. Once the guidance is received from the Home Office and as the Employment Tribunal process progresses, we will send out further communication.

Can we ask that in this interim period, anyone who is not one of these groups mentioned above to be patient and await further information. Please do not raise queries with West Yorkshire Pension Fund, our Pensions Officer, Claire Johnson or our FBU reps as they will not be in a position to give you any further information other than that which is contained within this communication.

Thank you

Ian Brandwood Martyn Bairstow

Chief Employment Services Officer FBU Branch Secretary

West Yorkshire Fire and Rescue Service E-mail Martyn.Bairstow@fbu.org.uk

Tel : 01274 655734 Phone 07760992113

West Yorkshire Fire and Rescue Service Headquarters | Oakroyd Hall | Bradford Road | Birkenshaw | Bradford | West Yorkshire BD11 2DY

From: [Ian Brandwood](#)
To: [Everyone1](#)
Subject: Fire Fighters Pension Scheme Update
Date: 24 December 2019 08:58:57
Attachments: [Bulletin-27-Appendix-1.pdf](#)

Further to my E Mail last week, the Local Government Association have asked that I circulate the information below and the attached Fact Sheet from the Home Office.

We are aware of the interim declaration made by the Employment Tribunal that claimants represented in the Sargeant legal case are entitled to be treated as if they remained in the Firefighters Pension Scheme 1992 (FPS 1992). In order to comply with the Tribunal's order

FRAs will need further direction from Government on the practical steps to enable implementation and we await that direction, albeit the Home Office have since issued a factsheet. (Attached to this E Mail.)

In the meantime to enable us to prioritise urgent cases, if you believe you are a claimant and you have an immediate retirement event; i.e. you are going through or have gone through an ill-health retirement or you wish to retire from the scheme with immediate effect and meet the eligibility requirements of being over 50 with 25 years' service (includes service in the 2015 Scheme) please contact Claire Johnson with confirmation of your status as a claimant and details of your retirement claim.

The order does not specify treatment of non-claimants at this time, however Government have confirmed their intent that non-claimants in the same legal and factual position as claimants intends to extend the same treatment to all members of the public service pension schemes, including the Firefighters' scheme, (whether claimants or not) who are in the same legal and factual position as the claimants. If you are a non-claimant with a similar immediate retirement event to claimants, please contact us.

Regards

Ian

Ian Brandwood
Chief Employment Services Officer
West Yorkshire Fire and Rescue Service
Tel : 01274 655734
Mob: 07552 283498

West Yorkshire Fire and Rescue Service Headquarters | Oakroyd Hall | Bradford Road | Birkenshaw | Bradford | West Yorkshire BD11 2DY

From: [Claire Hey](#)
Subject: Firefighters' Pension Schemes (England) - Factor Guidance Notes
Date: 16 December 2019 08:47:16
Attachments: [image001.jpg](#)

To: Fire Pension Scheme Practitioners, Regional Chairs, Directors of HR.
CC: Chief Fire Officers, Scheme Advisory Board and committees, Local Pension Board Chairs and Lead Contacts, Home Office Fire Team, Devolved Government Fire Leads and Boards, Advisers and Suppliers.

Dear colleagues,

Following the [factor review](#) undertaken by GAD as a result of the reduction to the SCAPE rate, new guidance notes for some factors have now been issued:

- [FPS 1992 and FPS 2006 CPD APB - factors and guidance](#)
- [FPS 2015 Age additions and assumed age additions - factors and guidance](#)
- [FPS 2015 Club Transfer guidance](#) (supplement to the Club Memorandum)
- [FPS 2006 Early retirement - factors and guidance](#)
- [FPS 2015 Early payment reductions - factors and guidance](#)
- [FPS 2006 Purchase of increased benefits - factors and guidance](#)
- [FPS 2015 Purchase of Additional Pension - factors and guidance](#)
- [FPS 1992 Tax charge debits - factors and guidance](#)
- [FPS 2006 Tax charge debits - factors and guidance](#)
- [FPS 2015 AA charges: scheme pays offsets - factors and guidance](#)
- [FPS 2015 LTA pension debit - factors and guidance](#)

All factor tables and guidance notes can be found on our website at <http://fpsregs.org/index.php/gad-guidance>.

Please note: **In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.**

Kind regards,

Claire

Claire Hey

Firefighters' Pension Adviser

Local Government Association

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www.local.gov.uk/workforce

www.fpsboard.org www.fpsregs.org



Follow us [@LGAWorkforce](#) #LGAfirepensions

[Bulletin 26](#) is now available on our website

We work flexibly at the LGA. I'm emailing at this time because it works for me. I don't expect you to read, take action or respond to this email outside your normal working hours.



FPS Bulletin 22 – July 2019

Welcome to this very special edition of the Firefighters' Pensions Schemes bulletin. To celebrate our second birthday, we've teamed up with organisations from across the sector to bring you a "take-over" issue of the bulletin with contributions on various topics affecting FPS and other public service schemes.

If you have any comments on the contents of this bulletin or wish to contact any of the contributors directly, please contact [Claire Hey](#) in the first instance. All of our usual features can be found towards the end.

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.

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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 contact [Claire Hey](#).

LPB effectiveness committee	7 August 2019
Administration & Benchmarking/ Cost-effectiveness committee	15 August 2019
South West and Wales regional group	28 August 2019
Eastern regional group	10 September 2019
Firefighter Pensions Technical Community	24 September 2019
Firefighters' Pensions AGM	24-25 September 2019
SAB	3 October 2019
Fire Finance Network conference : Arden - Warwick Conferences	9-10 October 2019
Pensions tax seminar	12 November 2019
SAB	12 December 2019

Take-over issue

Once upon a time...

...some firefighters were covered by their local police force pension arrangements. The Police Act 1890, Section 16 explains the funding requirements. Paragraph (1) begins with the statement –

“There shall be a pension fund of every police force, and there shall be carried to that fund . . .”

followed by a list of the required payments. While some will be familiar to readers of the current Firefighters' Pension Schemes, for example members' contributions, there are also a few more unusual items such as –

“The net sums received in the police area for pedlars and chimney sweepers certificates;”

“The fines, imposed by a court of summary jurisdiction, for assaults on constables in the force;”

and the returns from this nice little earner –

“The net sums arising from the sale of worn or cast clothing supplied for the use of constables of the force”.

With grateful thanks to Eunice Heaney for this contribution.



Pension tax giving you a headache?

The HMRC pension tax restrictions on pension saving (the Annual Allowance and the Lifetime Allowance) are affecting firefighters causing restrictions to tax efficient pension savings. This is usually those with incomes of £60 - £70,000 but can affect lower earners who get promoted or take on additional duties and we have seen cases from Watch Manager upwards where the Annual Allowance has been breached.

Anyone who has other pension savings or has income from outside the Fire and Rescue Service may also be affected. There is no easy way to confirm that someone is not affected and because the tax rules consider all income and all pension saving the employer and the scheme administrator will not know for sure as they will not know all the information about each member.

In defined benefit pension schemes like the FPS, (1992, 2006 or 2015) the calculations behind each allowance are not intuitive and the combination of further pension accrual combined with pay growth (particularly on promotion) can create growth in pension that is higher than HMRC allow. It's complicated and if members do have other income or other pension savings it gets more complex, particularly if they are "higher earners", with taxable income over £110,000, when further restrictions to their pension savings may apply. Only the member will now this.

Scheme administrators are obliged by legislation to send a Pension Savings Statement to members whose Annual Allowance exceeds the £40,000 level currently available; and Lifetime Allowance breaches are considered at retirement. But there is a lot still for members to do before they can understand if they have a tax charge to settle, and further work to consider how to do so if they do.

There is a lot of information to help firefighters understand but this is still their responsibility to pull the information together and work out whether they owe tax, and if so, to declare that to HMRC and to settle it through the self-assessment process. They may need help and guidance to understand what they need to do and how to do it.

The article at [Appendix 1](#) has more information and you may wish to make this available to your members.

*Contributor **Mark Belchamber** has over 25 years' experience helping people understand their pensions and is Director and founder of "Income for the Third Age Ltd", a company that specialises in guidance and education for employers and employees on pensions, pension tax issues and retirement options).*

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Eversheds Sutherland speedbrief

[Supreme Court refuses Government permission to appeal in public sector age discrimination cases](#) –
5 July 2019

A fresh perspective on Perspective

Public Sector Pension Schemes Are Increasingly Relying on Perspective

According to TPR, in 2018 there were 16.5 million PSPS memberships across 24,000 employers. Arguably, pensions staff need the appropriate resources to carry out their roles as efficiently as possible. Perspective, the legal and regulatory information service for the UK pensions industry, is increasingly seen as a key tool for achieving exactly that.

What is Perspective all about?

Essentially, a public sector pension scheme is able to have its own scheme rules (the Regulations) in one place on Perspective (much to the envy of pension scheme managers working in the private sector!). Perspective has an ever growing public sector collection of these Regulations, for example: Local Government (1986), Firefighters (1992), Police (1987), NHS (1980), Civil Service (2002) and Teachers (1994). Those working in Fire pensions are responsible for 3 active schemes (the 1992, 2006 and 2015 Schemes) all of which are available in full text on Perspective. Additionally, Perspective covers some public sector documents in Northern Ireland as well as providing access to relevant GAD, LGA and many other materials.

So, Perspective is all about content?

Yes, but also no! There is impressive functionality as well – for example the ability to look at any document on Perspective and see how it stood at any date in the past is of enormous and proven value. The way that this feature (known on Perspective as “Time Travel”) has been implemented is widely recognised as being the most powerful and flexible way of showing how text has changed over time. It is the envy of other publishers. And, of course, all the content on Perspective is fully up-to-date. All documents on Perspective are updated, usually within a day or so of amendments being published, by a dedicated editorial team of 9 full-time legal editors with Law, English and other degrees. They perform a specialist role in identifying core documents to be added to the system and ensuring these documents have the levels of added value and functionality that users of Perspective have come to expect.

Public sector pensions, a narrow specialised field?

Over the last 20 years it has become increasingly important for those working in public sector pensions to have a good understanding of general pensions legislation (such as the Finance Act 2004) as well as public sector regulations. The volume of legislation they are expected to have mastered is huge! As Yunus Gajra of WYPF says, *“I have used Perspective for a number of years and I find it a fantastic tool which enables me to do my job quickly and efficiently. It has all the key reference materials that I need or may be interested in which means it’s a one stop shop and I don’t need to look elsewhere or subscribe to other publications!”*

Is there a brain drain?

Potentially yes, many of the most experienced public sector staff have retired in recent years. This means that the knowledge that has been built up within the industry over many years is being lost at an alarming rate.

How do some schemes mitigate this problem?

Perspective provides the regulations and explanatory documents which allow staff to learn how and why things happened in the past. If you provide the best resources to the brightest individuals they will, in time, be able to fill the vacuum that has been left by this loss.

Can technology help?

The younger workforce certainly does not expect to find dusty incomplete A4 ring binders filled with regulations that they don't know how to navigate and about which they have little knowledge. Perspective has a powerful, cutting edge search tool which allows them to search across thousands of documents and find accurate results in seconds. Documents on Perspective contain extensive hypertext linking, including links from defined words or phrases to the relevant definitions, all of which helps to further their understanding of the materials they need to consider and speed up their research significantly. Furthermore, Perspective works in all major browsers and is available on the move through most smartphones and tablets.

Are there alternatives?

Yes, there are several free websites available and even some subscription sites produced by the largest publishers in the UK, but none with the functionality and comprehensiveness of Perspective. Individuals don't just metaphorically scream when they need to find something on a government website. More often than not they won't find what they need or won't have the confidence that what they have found is accurate or up-to-date.

Future

It's a complex job administering public sector schemes and, in this day, and age there's no reason for those working in this sector to be grappling with inferior tools compared to their counterparts in the private sector.



What to expect when a complaint is referred to The Pensions Ombudsman

In this article, we briefly explain what to expect if a complaint about your scheme is referred to The Pensions Ombudsman.



An overview of our process

A complaint to us will follow one of two distinct workstreams.

‘Early resolutions’

For complaints which usually have not been through a scheme’s internal dispute resolution procedure (IDRP) but are otherwise thought to be within our jurisdiction.

We look to bring the matter to a close as early as possible to shorten the complaint journey for everyone. Early resolution will never result in a final decision being made by an Ombudsman since that can only happen if all the requirements have been met in relation to our jurisdiction, including IDRP being completed, or attempted.

Early resolutions break down into two categories that we have called:

- ‘Quick responses’ where a problem can be solved with minimum intervention. We might contact the pension scheme, but these are generally problems that can be sorted out through a conversation with the complainant.
- ‘Cases’ where some intervention is required including contact with all the parties to the complaint. These are handled by our in-house specialist team, assisted by our 240 highly experienced volunteers drawn from the pensions industry. We are likely to contact the pension scheme to, for example, provide further information or a view on how the matter might be resolved.

‘Investigations’

For complaints which have been through the IDRP, or other internal complaints process, and are deemed to be within our jurisdiction, for example, within our time limits.

These are investigated by our team of adjudicators. Usually, the pension scheme will be invited to provide a formal response to the complaint. The adjudicator will gather additional evidence they consider is necessary to reach a view on the matter. An investigation will usually result in an adjudicator issuing their opinion on the matter to all the parties to the complaint. Many complaints are resolved this way. But all parties have a right to ask for the matter to be determined by an Ombudsman. In some cases, the Ombudsman will issue a preliminary decision, followed by a determination. The Ombudsman’s determinations are binding on all the parties and can be challenged, on a point of law, through the courts.

How you can help us

It can speed up the investigation process if we get some key information early on. If your scheme is asked to provide a formal response to a complaint, it helps if that includes:

- evidence relied on when making decisions under the IDRPs
- details, and sight, of any Regulations or Guidance that are relevant to the complaint
- for complaints involving pensionable pay:
 - the member's contract and any contract specific to the allowance
 - any changes to the member's role over the relevant period
 - confirmation of which scheme(s) apply
 - details of how the allowance was paid.

Want to find out more?

Visit our website: www.pensions-ombudsman.org.uk

Our Annual Report 2018/19 is also a good source of information about what we do, and the volumes of complaints we process. Summaries of interesting cases are included.

Interested in volunteering?

We are always on the lookout for experienced pensions professionals who have the time and dedication to help. If you are interested, please contact paul.day@pensions-ombudsman.org.uk

Cyber resilience – are you ready

Cyber resilience – are you ready?

Cybercrime remains one of the most rapidly evolving, yet poorly understood risk topics. Whilst the consequences of a cyber-attack on a company are well known, for pension schemes cyber risks are a relatively new threat.

In this emerging area, there are many potential actions that scheme managers, administrators and their suppliers can take to ensure that they are prepared for the possibility of a cyber-attack.

Why is this important?

Pension schemes hold an abundance of member data and assets making them very attractive targets for hackers. An attack could lead to identify theft of its members, financial losses, disruption of services and reputational damage to both the scheme and FRA/administrator.



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What does this mean for scheme managers?

The initial starting point is asking a lot of questions and establishing an action plan. Scheme managers, with the support of their administrators and advisers, should attempt to understand what risks they could face and consider potential vulnerabilities within their set up before embarking on a plan to minimise those risks, where possible.

In particular, questions should be posed to:

- Data handlers/processors (such as administrators or payroll providers)
- Software suppliers
- The Fire and Rescue Authority (FRA) and any in-house teams.

What should scheme managers do?

Scheme managers should carry out a robust assessment of their FRA in order to take a holistic and structured view of the issue.

Aon's Cyber Solutions combine three critical areas to help our clients to understand and manage the minefield of cyber security.



Seek

- **Assess** – Identifying critical assets that could be at risk – what could go wrong?
- **Quantify** – Understanding the potential impacts of cyber threats were they to materialise is important.
- **Test** – A clear understanding of what controls are in place by all third parties and internal functions to prevent cyber-attacks.

Shield

- **Improve** – Improvements may need to be made to security systems.
- **Transfer** – Considering whether the exposed risk can be transferred to someone else.

Solve

- **Respond** – Ensuring that a plan is in place to tackle any incident should the worst happen.

Actions

As cybercrime is an evolving risk, it's critical that the risk is managed and as a minimum, we recommend the following:

- Obtain some training and discuss the issue with relevant parties.
- Undertake a robust assessment to identify specific risks and actions and document these on your risk register.
- Take forward any practical actions.

Risk. Reinsurance. Human Resources.

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The complexities of ill-health pensions

Jane Marshall, partner at Weightmans LLP and legal adviser to the SAB, writes about the complexity of ill-health pensions...

When asked to write a legal piece for the 'take-over issue' there was so much to choose from!

We have had a raft of recent Court and Pensions Ombudsman decisions affecting not just the Firefighters' Pension Scheme, but public service pension schemes as a whole. Following the recent decision of the Supreme Court in which the Government was refused permission to appeal the age discrimination decisions in McCloud and Sargeant¹, to the intense media interest in our current pensions tax relief system and the effect this is purportedly having on NHS waiting lists, one wonders what the future holds in respect of public service pensions?

Unfortunately, as my skills do not extend to predicting the long term future of public service pensions, I thought I would be on safer ground writing about ill-health retirement following the successful '[Ill-health and injury workshop](#)' run by the SAB² in June. **You can read the article at [Appendix 2](#).**

Weightmans legal update

In addition to Jane's piece, the legal update from Weightmans at [Appendix 3](#) provides a summary of two key developments affecting public service pensions, including the recent landmark judgement in Langford v Secretary of State for Defence³ which ruled that survivor benefits could be paid to a long-term partner although they remained legally married to a third party.

TPR Governance and Administration survey 2018 – a view from the Regulator

Nick Gannon, policy lead at TPR, has the following message for Fire schemes...

We believe that all savers should be in well run schemes. The 2018 governance and administration survey shows that significant improvements have been made in several areas but that Fire schemes still have some way to go to meet the standards that we expect them to meet. We are encouraged by the improvements that have been made and expect that they will continue through 2019 to be demonstrated in this year's survey results.

We note that Fire scheme local pension boards meet less frequently than those in other surveyed cohorts, and much less than we believe they should. This infrequent meeting schedule may be one reason that the schemes continue to lag in key governance measures. With little regular oversight it is difficult for pension boards to put the right controls in place and to drive the improvements that are need in both governance and administration. Similarly, regular turn-over of pension board members means that knowledge and experience risk being lost and becomes difficult to replace. This survey also highlighted the prevalence, and risks, of cyber attacks. This is one area in particular that requires strong governance and should be given serious attention.

¹ The Lord Chancellor & Secretary of State for Justice v McCloud & others; and The Secretary of State for the Home Department v R Sargeant & others

² The Firefighters' Pensions (England) Scheme Advisory Board

³ <https://www.matrixlaw.co.uk/wp-content/uploads/2019/07/Approved-Judgment-Langford-C3.2018.0111-and-C3.2018.0111A.pdf>

Scheme data continues to be a concern for all public service schemes, and Fire is no exception. Progress has clearly been made with data cleansing exercises, which should continue. Attention must also be paid to the data coming in. Far too many schemes are still relying on data that is provided annually, and in paper returns. To ease administration, data should be provided wherever possible monthly and in electronic format. This links data provision to payroll and simplifies processing for all involved.

Pension boards and scheme managers should consider the results of this survey, and how they apply to their own scheme. Amidst a number of simple improvements that can be made rapidly are several more issues that will require greater attention and more time. With the consequences of the McCloud and Sargeant cases as yet unknown, now is the time to make urgent improvements to scheme governance and administration. Where these improvements are not, or cannot, be made we may look to use our enforcement powers.

A commentary on the results can be viewed at [Appendix 4](#) and the full version of the [research report](#) is available on the TPR website.



FPS

July 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 on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in June.

Written Ministerial Statement: Public Service Pensions

The Government made a written statement⁴ on 15 July 2019 accepting the court's decision in the Firefighters Transitional Protection Challenge, also known as 'McCloud and Sargeant'. The Government will now engage with the employment tribunal to agree remedy. The written statement goes further to confirm that government believe that remedy will apply across all the public sector schemes, these include schemes for NHS, Civil Service, Local Government, Teachers, Police, Armed Forces, Judiciary and Fire and Rescue workers.

Effect on scheme member benefits

While we appreciate that members may have questions about how their benefits may change in the future, until the remedy has been determined by the employment tribunal, the scheme re-valued and any regulations changed as a result we cannot speculate on this.

Until the regulations are amended, all scheme transactions will be based on the regulations as they currently stand, this includes retirements, applications for ill-health retirements, benefit projections and Annual Benefit Statements as at 31 March 2019.

⁴ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-07-15/HCWS1725/>

Other News and Updates

GAD newsletters

The Government Actuary's Department has issued the [July edition](#) of its Public Service Pension Schemes newsletter. This is intended to be an informal note to provide regular updates on what is happening within the PSPS area of GAD and to highlight some current hot topics that schemes and other department contacts might be interested in.

Readers with a more macabre outlook may be interested in the [second edition of GAD'S Mortality Insights](#), also issued in July.

The Pensions Ombudsman (TPO) Annual Report and Accounts 2018/19

The TPO Annual Report and Accounts 2018/19 were laid in Parliament on 18 July. A message from Anthony Arter, Pensions Ombudsman, with a link to the report on the TPO website is attached to this bulletin as [Appendix 5](#).

Earlier communications from TPO and a full history of determinations in relation to FPS can be found [here](#).

Written Ministerial Statement: Walker v Innospec Supreme Court Judgment and Response to the Survivor Benefits Review

The Minister for Pensions and Financial Inclusion Guy Opperman has confirmed in a written statement⁵ that the Government does not intend to make any further retrospective changes to equalise survivor benefit provision in respect of occupational pension schemes, following the changes implemented in light of the [Walker v Innospec](#) Supreme Court judgement.

See our [technical note](#) on SI [2019/378](#) for how those changes affected the FPS.

While the Minister acknowledged that differences in benefits in respect of past service would remain for some members, he added that these will gradually work their way out of the system.

House of Commons briefing paper – GMP-related overpayments

The House of Commons Library has updated a briefing paper⁶ concerning GMP-related overpayments in public service pension schemes. The paper looks at overpayments which occurred due to the incorrect calculation of GMPs in 2008 and again following the end of contracting-out and subsequent reconciliation exercise in 2018.

⁵ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-07-04/HCWS1690/>

⁶ <https://researchbriefings.files.parliament.uk/documents/SN04919/SN04919.pdf>

TPR secondment opportunity

Please see details below from TPR concerning a secondment opportunity in the role of Specialist - Pension Administration:

TPR has recently opened up an administration [secondment opportunity](#) in our Policy team.

The pensions landscape is undergoing a step change. The rise in the number of people saving into pension schemes and initiatives like the Pensions Dashboards, mean that good standards of administration are more important than ever to ensure that savers can have confidence in the pensions industry. We need to have a clear view of the risks in this sector, and a robust strategy for dealing with them, so that savers' benefits are protected and confidence in pensions is maintained. The secondee will help to ensure we fully understand the functioning of pensions administration sector and design an appropriate response to the risks.

A secondment to the specialist role in this team would suit the skill set of someone with at least five years' experience in the pensions administration market, particularly with experience of client management or a role involving engagement with trustee boards, pension boards or scheme managers.

TPR runs a very successful industry secondment programme, which has been operating for over 10 years. We recruit people who bring essential and relevant commercial skills and the latest insight on pensions issues. You can see our [secondees testimonials](#) for some recent examples.

Key benefits to your organisation

- An excellent opportunity for staff development
- An opportunity to work in the frontline of a fast-paced and exciting area of regulation
- An opportunity to create a network of lasting relationships
- An opportunity for your staff to apply their skills and knowledge in a related environment
- Expanded outlook and a better understanding of regulation

Terms and conditions are subject to negotiation and agreement between parties, but we will always aim to cover employment costs and reasonable expenses.

Ideally we'd look for this secondment to run for twelve months, from October.

For more information or to discuss this opportunity further, please contact Lucy Stone, Lucy.Stone@thepensionsregulator.gov.uk or Zoe Kyle, HR on 01273 627213 or zoe.kyle@thepensionsregulator.gov.uk. For general enquiries, please contact secondments@tpr.gov.uk

HMRC

Contracting-out reconciliation update

The following bulletin, containing important guidance and information about the end of contracting out and the scheme reconciliation process, has been published by HMRC in July.

[Countdown bulletin 46](#)

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Updates include:

- Scheme Financial Reconciliation
- Scheme Financial Allocations
- problems accessing Shared Workspace

Training and Events

Pensionable pay workshop – event summary

We were pleased to welcome over 70 delegates to our sold out event on 18 July 2019, in order to discuss the challenge of interpreting pensionable pay within the legislation and case-law.

The morning session was opened by Clair Alcock who outlined how 45 different decision makers, case-law, and legislation combine to provide complexity in determining pensionable pay. This was followed by an in-depth look at the most recent case Booth vs Mid and West Wales from Jane Marshall, partner at Weightmans LLP and legal adviser to the Fire Scheme Advisory Board. Steven Pope, Head of Human Resources at Devon and Somerset Fire then took to the stage to deliver a practitioner's insight into pensionable pay decision making. Before lunch we welcomed back Jane Marshall to give a case-law round up and a discussion on what steps Fire Authorities now need to take to remedy pensionable pay. The number of questions received during Jane and Steven's sessions demonstrated how valuable it is to hear first-hand issues on pensionable pay.



Following lunch, Clair Alcock shared some thoughts on decision making to ensure that pensionable pay is considered at the heart of any pay structure, we then welcomed James Durrant, Pensions Manager at Essex Fire Authority who shared some thought provoking insight into tax consequences of retrospective action to ensure that where action is taken, tax law is complied with.

The final session of the day was a panel discussion session, which allowed the audience to ask questions of all the speakers of the day.

The complete presentation slide deck from the event is available [here](#). To view the conference in pictures, visit our [@LGAWorkforce](#) twitter feed, #LGAfirepensions

We would encourage all delegates to give feedback using the electronic forms provided after the event so we can continue to improve our training events.

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FPS AGM – London – 24-25 September 2019 SAVE THE DATE

Our popular Fire Pensions Annual Conference is back! The two day programme allows delegates to network with fellow colleagues and hear the latest news on the Firefighters' Pension Scheme (FPS) from the scheme's key stakeholders.

You will hear important updates, including:

- Chairman of the Scheme Advisory Board
- The Home Office
- Legal Updates

As well as providing the opportunity to network with other FPS stakeholders, there will be interactive and thought provoking workshops to take part in during the day, including:

- Abatement
- Transitional Pension Calculations
- Forecasting and Top-Up Grant, GAD

Day 1 – Tuesday 24 September 2019 4:30pm - 6:30pm

Primarily for Scheme Managers and Local Pension Board chairs, day 1 of the conference will provide practical guidance on the role of the [scheme manager](#) and will offer the opportunity to network with counterparts in other Fire Authorities.

Following this session there will be a drinks reception on the terrace from 6:45pm

Day 2 – Wednesday 25 September 2019 9:30am - 3:30pm

Day 2 of the conference provides delegates with an annual update on the Firefighters' Pension Scheme from key stakeholders.

The full programme and booking link will be available shortly.

Legislation

There have been no new items of legislation laid since our April bulletin.

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](#)

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Telephone: 020 7664 3205

Email: claire.hey@local.gov.uk

FPS Bulletin 23 – August 2019

Welcome to issue 23 of the Firefighters' Pensions Schemes bulletin.

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 the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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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 contact [Claire Hey](#).

Eastern regional group	10 September 2019
Firefighter Pensions Technical Community	24 September 2019
Firefighters' Pensions AGM Day 1 Day 2	24-25 September 2019
SAB	3 October 2019
North East regional group	4 October 2019
Fire Finance Network conference : Arden - Warwick Conferences	9-10 October 2019
Fire Communications Working Group	16 October 2019
SAB Administration & Benchmarking/ Cost-effectiveness committee	24 October 2019
South East regional group	28 October 2019
Pensions tax seminar	12 November 2019
SAB LPB effectiveness committee	14 November 2019
SAB	12 December 2019

FPS

[Aon administration and benchmarking review – final report](#)

In 2018, the Scheme Advisory Board (SAB) commissioned an administration and benchmarking review¹ with the aim of establishing how much the scheme costs to run and how effective administration is.

After a procurement process Aon were appointed to undertake the project, and the exercise saw all FRAs and administrators answering a number of questions about costs, resources and service, while members also had the opportunity to complete a short questionnaire on their experiences.

The results are now in and following detailed analysis, we are pleased to publish the final report². The SAB, supported by its three committees, is now considering the recommendations made and will issue a report focusing on the actions needed to progress this work.

¹ <http://www.fpsboard.org/index.php/board-publications/administration-and-benchmarking-review>

² <http://www.fpsboard.org/images/PDF/Surveys/Aonreportfinal.pdf>

With regard to the cost of the scheme, readers should note that this is a first attempt to analyse how much the scheme costs to run; some FRAs were not able to provide any cost information and others only some. Therefore, the costs indicated in the report cannot be taken at this stage to be a completely accurate reflection. Nevertheless, the Board feel that this was a worthwhile first step and will be looking to collate costs on an annual basis going forward in order to establish a more accurate reflection.

Needless to say, there are challenging, but exciting, times ahead.

The report can be found at [Appendix 1](#) and we would encourage all FRAs to read this and discuss with their Local Pension Board (LPB) how their individual results compare against the national picture.

GAD data improvement reports for FRAs

As we reported in [FPS Bulletin 8 – May 2018](#), some FRAs had data excluded for the purposes of setting assumptions for the 2016 FPS valuation. Each FRA affected was contacted individually to advise where the data discrepancies lay.

Further to this, GAD have prepared individual data improvement reports for every FRA to help them understand why data provided may not have been considered usable. The purpose of the note is to inform where improvements to the member data held/provided for valuations could be focussed to enable more data to be included for the 2020 valuation. We will be circulating the relevant note to each FRA over the coming weeks.

FPS contacts for HMRC

Back in 2015 when the Pension Scheme Tax Reference (PSTR) numbers were being set up for the new scheme, we provided HMRC with a list of contact names, addresses, and email addresses for each FRA.

HMRC are now looking to get their records as up to date as possible and have asked if we can supply them with current contacts. Ideally they require details of the Pensions Manager or senior person responsible for pensions administration within each FRA.

ACTION: FRAs to provide the name, address, telephone number, and email address for the pensions manager or senior responsible person.

Please email bluelight.pensions@local.gov.uk by 30 September 2019 using the subject line “FPS contacts for HMRC”.

A word about breaches

At Annual Benefit Statement (ABS) time we get a lot of queries about breaches of law if statements have failed to be issued by 31 August even if this is just for a limited number of members.

We would like to take this opportunity to remind readers that ALL breaches of law must be recorded and assessed for materiality. If the breach is considered to be material then it should be reported to TPR.

To assist scheme managers and pension boards with this we have provided a breach assessment template³ that allows you to assess the breach and also acts as a recording document of the breach.

TPR have issued guidance on reporting breaches in paragraphs 247 -271 of the Code of Practice 14⁴ and issued example breaches using the traffic light framework⁵. Materiality to TPR needs to be assessed across the four areas of Cause; Effect; Reaction and Wider Implications.

TPR have previously stated that numbers alone doesn't necessarily make the breach immaterial; they would also want to know frequency and history, i.e. is a certain category of member receiving statements late each year, if so what is the reason and what is being done to ensure that future statements are on time for these members.

In the recently published TPR governance and admin survey⁶, TPR expressed concern that of 17% recognised breaches only 2% had been recorded as material. This might prompt them to look further at Fire breaches over the next year, therefore if late issue of ABS is not reported to be material, there would be an expectation that they would request to see documentation of the recording of the breach and an assessment of materiality.

SAB Administration & Benchmarking committee vacancy

A vacancy has arisen on the [Administration & Benchmarking committee](#) for an FRA Local Pension Board representative. The main objectives of the committee are to provide guidance to the SAB to understand the value and cost of administration, and consider how administrators can best be supported by identifying best practice. The committee are currently involved in considering the recommendations made by Aon in the [administration and benchmarking review](#) and how these can be progressed.

The required commitment is attendance at three to four meetings per year, generally held in London. Attendance can be made by conference call if necessary. If you are interested in sitting on the committee, please email clair.alcock@local.gov.uk for further information.

New factsheet – Compensatory ill-health pensions

Following recent discussions at the Firefighter Pensions Technical Community, we have produced a factsheet on compensatory ill-health pensions paid to retained firefighters.

This factsheet has been prepared to give guidance to FRAs on when entitlement to a compensatory 'ill-health' pension payable under The Firefighters' Compensation Scheme (England) Order 2006 ("compensation scheme") arises for a retained firefighter who was employed prior to 6 April 2006 and where the injury occurred before 1 April 2014.

³ <http://www.fpsboard.org/images/LPB/Resources/Breachassessment210119.docx>

⁴ <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/code-14-public-service.ashx>

⁵ <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/ps-reporting-breaches-examples-traffic-light-framework.ashx>

⁶ <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/public-service-research-2019.ashx>

These firefighters were given compensatory provisions under the compensation scheme rules because they could not join the Firefighters' Pension Scheme 1992 (FPS 1992).

The factsheet has been published on the [factsheets](#) tab of the FPS Regulations and Guidance website and is also attached as [Appendix 2](#).

August 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 on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in July.

Other News and Updates

The Pensions Ombudsman (TPO) dispute resolution – consultation response

The Government have published their consultation response⁷ into TPO's dispute resolution provisions. The consultation, which ran from 19 December 2018 to 18 January 2019, sought views on: making new provision for dispute resolution, to include a function for early resolution; allowing an employer to raise a complaint or dispute to TPO on its own behalf; and new signposting provisions.

The Pensions Regulator (TPR) scheme return

Schemes are advised that TPR's Public Service Pension Scheme return (2019) is currently scheduled for late September.

"Wake-up" communications will be sent to FRA's named scheme managers to alert them to this forthcoming event.

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletters 112 and 113 containing important updates and guidance on pension schemes. The following issues are covered:-

- [Pension schemes newsletter 112 – 31 July 2019](#): Relief at source | Pension flexibility statistics | Annual allowance | The Pensions Regulator (TPR)'s consultation on the future of pension trusteeship and governance | Qualifying Recognised Overseas Pension Schemes (QROPS) transfer statistics |
- [Pension schemes newsletter 113 – 29 August 2019](#): Relief at source - annual returns of information for 2018 to 2019 | Relief at source - APSS106 annual claims for 2018 to 2019 | Annual allowance - pension savings statements for 2018 to 2019 |

⁷ <https://www.gov.uk/government/consultations/the-pensions-ombudsman-dispute-resolution-and-jurisdiction/outcome/government-response-the-pensions-ombudsman-dispute-resolution-provisions-and-widening-of-jurisdiction>

Administrators are reminded that annual allowance pension savings statements for the 2018-19 tax year must be issued to members who exceeded the annual allowance, by 6 October 2019. More information can be found in the Pensions Tax Manual at [PTM167100](#).

Contracting-out reconciliation update

The following bulletin, containing important guidance and information about the end of contracting out and the scheme reconciliation process, was published by HMRC on 30 July 2019.

[Countdown bulletin 47](#)

Updates include:

- Scheme financial billing exercise
- Scheme financial refund exercise
- Returned cheques

2018/19 Event Reporting - Annual Allowance Statements & Lifetime allowance

As last year, HMRC is prepared to accept from PCM customers, scheme data regarding pension savings statements for 2018-19 on an excel spreadsheet rather than through the scheme's Event Report. All other scheme events for 2018-19, with the exception of the lifetime allowance protection regimes (see below), must be submitted via Pensions Online.

This concession is on the clear understanding that the pension savings statement data represents part of the scheme's formal reporting obligations for the 2018-19 Event Report. The data must be submitted by 31 January 2020 and HMRC reserves the right to open enquiries based on any of the pension savings statement information provided.

The data required for each member is as follows:

- Name of Member (Title, First Name, Surname)
- National Insurance Number of Member
- Aggregate Pension Input Amounts for the scheme (x)
- Tax Year Ending (that the information relates to)
- Have you provided this member with a pension savings statement under regulation 14A(1)(b)(ii) SI 2006/567? (Y/N) (Money Purchase Pension Savings Statement)
- If Yes, provide the Aggregate Pension Input Amounts for Money Purchase Arrangements (y)

All fields must be completed. For members who have both (x) & (y) above, it would be helpful if you could list the data in the same line on the spreadsheet.

Guidance is included at:

<https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm161600> and
<https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm167000>

For the data to be compatible with HMRC's IT systems it must be submitted in the following format:

Excel 2003

Encryption via Winzip (up to and including version 17.5)

256 bit AES

File to be password protected

Passwords to be provided by separate cover

[Click here to return to Contents](#)

All files should be sent via e-mail to pensions.businessdelivery@hmrc.gov.uk and your PCM copied in. Files will need to be below 5MG, however HMRC will accept multiple submissions if the original file size exceeds this. HMRC will notify the scheme of receipt to enable the passwords to be provided under separate cover.

We would like to remind FRAs that where members have breached the £40k limit across two schemes or are subject to a tapered Annual Allowance, the [Voluntary Scheme Pays guidance](#) applies.

Lifetime Allowance

You may recall from last year that, in accordance with article 6.2 of the [Pension schemes newsletter 85 - March 2017 - GOV.UK](#), the Event Report hasn't been amended to include lifetime allowance protections that members applied for online. If you need to submit these details to HMRC, you can also submit them on a password protected spreadsheet and send the password in a separate email.

You should put 'Lifetime allowance – Event Reporting' in the subject line of your email and send this to pensions.businessdelivery@hmrc.gov.uk and, again, copy in your PCM. This data must also be provided by 31st January 2020.

If the scheme chooses to use this facility to provide this information, it is entirely at the scheme's own risk. HMRC accept no responsibility of loss, interception or corruption until data is delivered safely to them.

Training and Events

FPS AGM – London – 24-25 September 2019

We are pleased to announce that booking for the ever popular Fire Pensions Annual Conference is now live. The event was advertised by email on 9 August 2019 and a number of places are still available to book.

The two day programme allows delegates to network with fellow colleagues and hear the latest news on the Firefighters' Pension Scheme (FPS) from the scheme's key stakeholders.

You will hear important updates, including:

- Chairman of the Scheme Advisory Board
- The Home Office
- Legal updates

As well as providing the opportunity to network with other FPS stakeholders, there will be interactive and thought provoking workshops to take part in during the day, on topics such as

- Abatement
- Transitional pension calculations
- National performance monitoring

Timings are provided below and the full programme will be available shortly. Use the links to book your place now. **Please note that each day must be booked separately.**

[Day 1 – Tuesday 24 September 2019 4:30pm - 6:30pm](#) followed by drinks reception

Primarily for Scheme Managers and Local Pension Board chairs, day 1 of the conference will provide practical guidance on the role of the [scheme manager](#) and will offer the opportunity to network with counterparts in other Fire Authorities.

Following this session there will be a drinks reception on the terrace from 6:45pm

Day 2 – Wednesday 25 September 2019 9:30am - 3:30pm

Day 2 of the conference provides delegates with an annual update on the Firefighters' Pension Scheme from key stakeholders.

We look forward to welcoming you to the event!

Legislation

There have been no new items of legislation laid since our April bulletin.

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](#)

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FPS Bulletin 24 – September 2019

Welcome to issue 24 of the Firefighters' Pensions Schemes bulletin.

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 the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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Contact details

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 contact [Claire Hey](#).

SAB	3 October 2019
North East regional group	4 October 2019
Fire Finance Network conference : Arden - Warwick Conferences	9-10 October 2019
Fire Communications Working Group	16 October 2019
SAB Administration & Benchmarking/ Cost-effectiveness committee	24 October 2019
South East regional group	28 October 2019
Pensions tax seminar	12 November 2019
SAB LPB effectiveness committee	14 November 2019
SAB	12 December 2019
Firefighters' Pensions AGM – save the date!	22-23 September 2020

FPS

[Firefighters' Pensions: Board of Medical Referees - appointment of new contractor](#)

The contract for providing the Board of Medical Referees (BMR) to consider medical appeals under the Firefighters' Pension Schemes (in England) is currently held by Health Management Limited and will expire on 30 September 2019.

Following the completion of a formal tendering process, the Home Office can now confirm that it has appointed the successful applicant, Duradiamond Health Ltd, to provide the BMR from 1 October 2019 onwards.

Further information on the company can be accessed at: <https://www.duradiamondhealth.com/>.

It has been agreed that any new medical appeal cases referred to the BMR on or after 14 September 2019 will be considered by Duradiamond Health Ltd. In order to facilitate a seamless transition to the new contractor, FRAs are asked to hold off referring any new appeal cases to the BMR during the period 14 to 30 September 2019 - these cases can then be referred to Duradiamond Healthcare from the 1 October onwards. Any cases referred to the BMR before 14 September will be seen through to conclusion by Health Management Ltd.

While it is not expected that the appointment of Duradiamond Healthcare Ltd as the new contractor will change the current medical appeals arrangements, the Home Office will provide further detail in due course on hearing fees, hearing venues and the address that new appeal claims should be sent to, etc.

Contact details for Duradiamond Healthcare Ltd are as follows:

Email: pfmab@duradiamondhealth.com

Phone: 01273 963729

Postal Address: Duradiamond Healthcare
Tribune House
Bell Lane
Bellbrook Industrial Estate
Uckfield
East Sussex TN22 1QL

Please contact philip.perry@homeoffice.gov.uk if you would like to discuss any of the above.

Claims for refunds of NICs - FPS 2006 special members

HMRC has received claims for refunds of National Insurance Contributions (NICs) in relation to retained firefighters who have taken up backdated membership of their employer's pension scheme as special members of FPS 2006. A refund will be due for the difference between the amount already paid and the amount due at the lower contracted-out rate for the period of contracted-out employment.

However, for the employment to be treated as contracted-out employment a valid contracting-out certificate will need to be in place. Each of the affected FRAs will need to make a formal election to vary their pre 2016 contracting-out certificate, to backdate the start date of the certificate to 6 April 2000.

HMRC will contact you shortly to let you know what action you need to take. Once your backdated contracted-out certificate is issued, HMRC will be able to process your refund claims.

GAD data improvement reports for FRAs now issued

As detailed in [FPS Bulletin 23 – August 2019](#), the individual data improvement reports from GAD have now been sent to the Chief Officer and Local Pension Board chair at each FRA.

If you are not aware that your authority has received this information and would like to have sight of the document, please contact bluelight.pensions@local.gov.uk.

TPR data measuring review

We have recently been informed that some authorities may have received an email entitled 'Our records show you don't measure your data' from the Pension Regulator (TPR). We have sought reassurance that this is not a scam email, and can confirm this is a genuine request from TPR as the first stage of one of their regulatory initiatives, based on information supplied in the scheme return last year.

This year's scheme return invitations are imminent, so FRAs have an opportunity to rectify the information TPR hold. The Exchange system is open all year for updates to scheme information and

TPR encourage schemes to maintain the information held throughout the year, not just in response to a scheme return request.

[FPS contacts for HMRC – a gentle reminder](#)

Also in the [August bulletin](#), we requested contact details of the Pensions Manager or senior person responsible for pensions administration within each FRA to provide to HMRC to help get their records as up to date as possible.

So far, we have received 19 of an expected 44 responses for England. Please consider this a gentle reminder of the following action.

ACTION: FRAs to provide the name, address, telephone number, and email address for the pensions manager or senior responsible person.

Please email bluelight.pensions@local.gov.uk by 15 October 2019 using the subject line “FPS contacts for HMRC”.

[SAB Administration & Benchmarking committee vacancy](#)

A vacancy has arisen on the [Administration & Benchmarking committee](#) for an FRA Local Pension Board representative. The main objectives of the committee are to provide guidance to the SAB to understand the value and cost of administration, and consider how administrators can best be supported by identifying best practice. The committee are currently involved in considering the recommendations made by Aon in the [administration and benchmarking review](#) and how these can be progressed.

The required commitment is attendance at three to four meetings per year, generally held in London. Attendance can be made by conference call if necessary. If you are interested in sitting on the committee, please email clair.alcock@local.gov.uk for further information.

[New factsheet – FPS Management and Governance](#)

We have recently produced a factsheet on the management and governance of the England Firefighters’ Pension Schemes (FPS) in order to highlight the roles of stakeholders and the guidance that is available to ensure good governance and management of the scheme.

While the factsheet will be interesting to all stakeholders, it will be particularly beneficial to those new to the FPS family, to give an overview of the relationship between stakeholder groups and the support networks available.

The factsheet has been published on the [factsheets](#) tab of the FPS Regulations and Guidance website and is also attached as [Appendix 1](#).

[September 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 on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in August.

Other News and Updates

ICO changes to GDPR

While GDPR has now been in force for some time, it is important for data controllers and processors to keep up to date with changes made by the Information Commissioner's Office (ICO).

Recent updates include a change in position on calculating the time limit for responding to requests in relation to individual rights, and additional guidance around "manifestly unfounded and excessive" requests.

All the latest news is available from the following link <https://ico.org.uk/for-organisations/guide-to-data-protection/whats-new/>

TPR publish LGPS engagement report

On 19 September, TPR published a [report](#) on the findings from its engagement with 10 Local Government Pension Scheme (LGPS) funds. The engagement took place between October 2018 and July 2019.

The report summarises the key findings against the Regulator's Code of Practice 14 both in terms of exceeding and falling short of required standards.

TPR have confirmed that they are planning future supervisory and engagement work with a number of FRAs.

Up-rating of UK State Pension recipients living in the EU after Brexit

The government has committed to up-rating the UK State Pension paid to those living in the EU each year until March 2023, in the event that the UK leaves the EU without a deal on 31 October 2019.

During this three year period the Government plans to negotiate a new arrangement with the EU to ensure that up-rating continues.

HMRC

Contracting-out reconciliation update

The following bulletin, containing important guidance and information about the end of contracting out and the scheme reconciliation process, was published by HMRC on 30 August 2019.

[Countdown bulletin 48](#)

Updates include:

- Final Data Cuts for Ceased Schemes
- Approach for producing Final Data Cuts
- Guaranteed Minimum Pension (GMP) Conversion

Training and Events

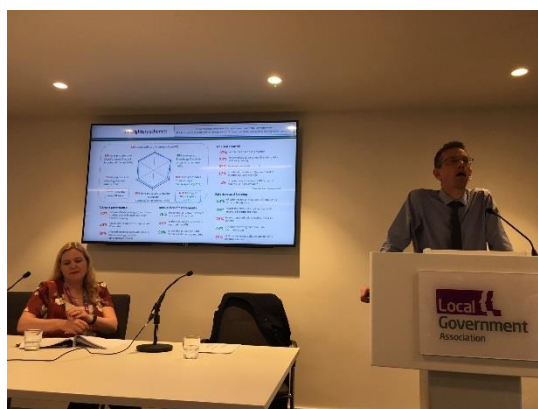
FPS AGM – event summary

In keeping with tradition, our annual fire pensions conference two day event opened with a meeting of the regional chairs of each fire pensions officer group, followed by the technical community. You can find out more about the work of each of these forums, along with the various other stakeholder groups involved with FPS administration, governance, and management in our new [factsheet](#).

We were delighted to welcome over 60 delegates to the first full conference session, aimed at scheme managers and Local Pension Boards, along with other parties with an interest in FPS governance. Following the Chair's welcome, the audience heard from Gavin Chambers, ACO and chair of Bedfordshire FRS LBP, on his experiences before participating in a lively debate on the efficiency of boards and challenges of assisting the scheme manager.



TPR then took to the stage to present the headline results from the [2018 Governance and Administration survey](#), including everyone's favourite slide – “the spider diagram of doom”.



We ended the day with a networking drinks reception and although the weather was not quite as accommodating as last year, this didn't seem to dampen the animated conversation between colleagues and friends.

The day 1 presentations are available [here](#).

The full technical/ administration AGM took place on day 2 with a record attendance of around 120 delegates in our Bevin Hall conference room at 18 Smith Square.

Malcolm Eastwood, chair of the FPS (England) SAB, once again opened proceedings, outlining some of the complexities in managing the Firefighters' Pension Schemes. We were then delighted to welcome Amar Pannu, Head of Police and Firefighters' Pensions at the Home Office, to provide a view from central government including updates on the transitional protections case and the 2020 scheme valuation.

Twelve months after launching the FPS [administration and benchmarking review](#), Craig Payne from Aon, was back on stage at the AGM to present a summary of the review outcomes and recommendations. Read the full and final report [here](#).



Following a short break, attendees were given the option to join one of three technical workshops: [National performance monitoring](#); [Abatement](#); and [Transitional pension calculations refresher](#). All workshops were well attended and received positive feedback. Thank you to our facilitators and those who participated.

Lunch followed the short workshop feedback session, and delegates had chance to network with colleagues and visit exhibition stands hosted by the following organisations: Barnett Waddingham, Eversheds Sutherland, ITM, and Income for the Third Age.

We make a special apology here to Laura of Pen-gage <https://www.pengage.co.uk/> and Mark from Income for the Third Age <https://i3aguidance.co.uk/>, as we somehow managed to lose a box of promotional leaflets which had been delivered in advance to the office.

In the tough first afternoon slot, Alec Bennett from Eversheds Sutherland provided the ever-popular case law update, taking the audience on a whistle stop tour of recent court and Pensions Ombudsman decisions. And the final session of the day was delivered by the Bluelight lead Clair Alcock, who gave an update on the work of the team and future plans.



Malcolm Eastwood closed the conference for 2019 with a fond farewell, as he retires as chair of the SAB in March 2020.

We would like to thank all for their participation and support, particularly our speakers and exhibitors for contributing to the success of the event, and to all delegates who took time out of their busy schedules to attend. We look forward to seeing you again next year – save the date 22-23 September 2020!

The day 2 presentations are available [here](#). To view the full conference in pictures, visit our [@LGWorkforce](#) twitter feed, #LGAfirepensions

Training survey research report

Between 31 May and 31 July 2019, FPS stakeholders were invited to take part in a web-based survey on the current and future training provision offered by the LGA Bluelight team, to ensure that the LGA training offer remains relevant and that the statutory levy provides value for money.

During that time a total of 51 responses were received from across a wide range of FPS stakeholders in England, Wales, and Scotland.

Having collated and analysed the responses, we are pleased to present the final [research report](#), which will be used to inform our training plan for 2020.

The LGA would like to thank all those that were able to submit a response for their participation in the survey, and for continuing to support the work of the Bluelight team.

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](#)

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FPS Bulletin 25 – October 2019

Welcome to issue 25 of the Firefighters' Pensions Schemes bulletin.

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 the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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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 contact [Claire Hey](#).

Pensions tax seminar	12 November 2019
SAB LPB effectiveness committee	14 November 2019
Midlands regional FPOG	19 November 2019
SAB	12 December 2019 - TBC
North East regional FPOG	4 March 2020
LGA annual Fire conference and exhibition	10-11 March 2020
SAB	19 March 2020
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

FPS

TPR – six key processes

The Pensions Regulator (TPR), who has a statutory duty for regulatory oversight under the [Public Service Pensions Act 2013](#) monitors six key processes as part of their annual governance and administration survey. TPR use these key processes as indicators of public service pension scheme performance.

The six processes are:

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

In 2018, only 63% of Firefighters' Pension Scheme (FPS) across the UK reported having all six processes in place¹.

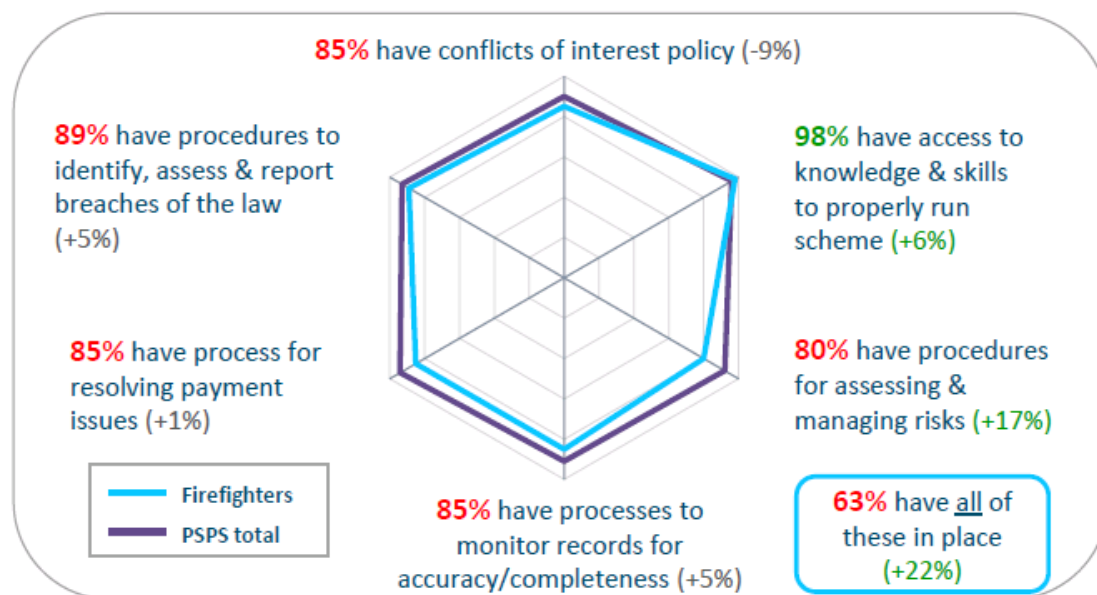


Figure 1 Spider-diagram of doom

Following feedback from FRAs, a [factsheet](#)² has been prepared to give further guidance on the six key processes in order to achieve a higher rate of understanding and compliance ahead of the 2019 survey.

Fire Finance Network – a message from the Chair

The Fire Finance Network (FFN) is an informal network of finance professionals from across the Fire Sector and is a great way to engage with colleagues from other Fire and Rescue Services.

The FFN meets quarterly and holds an annual conference, where attendees receive updates on strategic and technical issues; recent speakers included the Home Office Fire Funding team and CIPFA Police and Fire advisor. Key members of the FFN also sit on the National Fire Chief's Council Finance Co-ordination Committee and so are ideally placed to influence nationally.

We are particularly keen to hear from colleagues who work with county and devolved Fire Services to ensure their voices are heard. Membership is free and the best way to get involved is via our Workplace page as information and events are shared regularly – if you would like to join please contact the FFN Chair, Amy Webb, via email at awebb@dsfire.gov.uk.

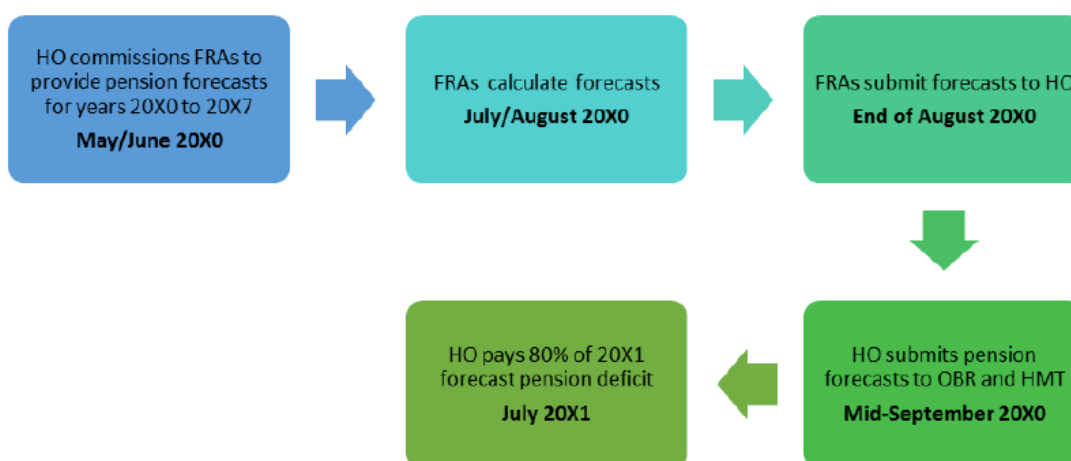
¹ Slide 6 – LGA Fire Pensions Conference Day One 24 September 2019
<https://www.local.gov.uk/sites/default/files/documents/TPR%20Update.pdf>

² <http://fpsregs.org/images/admin/TPR-6-key-processes.v1.pdf>

FPS forecasting guidance

Following the workshop on [Forecasting Public Service Pensions](#) held at the 2018 annual conference, the Home Office facilitated a working group to produce guidance for FRAs when calculating pension forecasts for the FPS top-up grant.

While this should already have been circulated to relevant stakeholders in line with the forecasting timetable, we are pleased to now include the guidance as [Appendix 1](#) to the bulletin.



Revised Fire (England) factors: Non-Club Transfer-In

Further to the letter issued by the Home Office on 31 October 2018 regarding the [review of scheme factors](#) due to the change to the SCAPE discount rate, GAD has provided replacement factor tables for FPS 2006 special member non-club transfer-in cases [table reference x-218 to x-219].

The suspension of any outstanding cases can be lifted and these factors can be used with immediate effect.

The updated table is available at <http://fpsregs.org/index.php/gad-guidance/transfers-in>. GAD has informed us that they will update the guidance and example calculations to reflect these revised factors at a later date.

ACTION: Pension Board Chairs and Scheme Managers, please ensure you liaise with your pension manager to ensure that the factors are applied with immediate effect.

The table of consolidated factors at [Appendix 2](#), which includes implementation dates for all changes, has been updated to reflect the addition of the special member TV-in factors.

Valuation data

As valuation year 2020 fast approaches, we wish to encourage FRAs to try and mitigate as many data issues as possible by ensuring that the data you hold is both correct and up-to-date before the year-end.

In particular we recommend that you ensure the following information is accurate:

- Contribution details
- Joiners and leavers
- Changes to the members details, including addresses,
- Any payments that qualify for [Additional Pension Benefits](#)

Eligibility factsheet updated

Minor amendments have been made to the factsheet on 'Eligibility to join FPS' to correct a referencing error. [Clean](#)³ and [tracked](#)⁴ versions are available.

We have also taken the opportunity to produce a version for FPS Wales. The factsheet on [eligibility to join FPS Wales](#)⁵ has been added to the [factsheets](#) tab of the FPS Regulations and Guidance website.

In brief, the factsheet confirms that in order for a person to be eligible for the scheme they have to be employed as a 'firefighter'. The regulations provide an interpretation of a 'firefighter', and it is for each FRA to satisfy themselves that those in the scheme are employed within this definition.

TPR data requirements – 2019 scheme return

For the first time in 2018, TPR asked schemes to measure the common and scheme specific data they hold about their members and report this on the annual scheme return.

The LGA Bluelight team agreed that in order to achieve consistency and allow for benchmarking and best practice, a standard list of scheme-specific items for FPS should be developed, and issued informal guidance on data scoring including which data items might be considered.

Rather than produce a definitive list of data elements, we provided a range of suggested items, split into categories for active, deferred, pensioner, and dependant members. This was based on the GAD Universal Data Extract and TPR guidelines, subject to feedback from software suppliers and our knowledge of the Firefighters' Pension Schemes.

This guidance has now been updated for the 2019 return, with some new items added based on feedback from administrators and an expanded section on testing data for accuracy as well as presence. We are pleased to include a matrix of weighting criteria to allow schemes to assess the likely accuracy of their data and adjust the score accordingly.

Please see the updated guidance at [Appendix 3](#) and spreadsheet at [Appendix 4](#).

³ <http://fpsregs.org/images/admin/Eligibilityv3clean.pdf>

⁴ <http://fpsregs.org/images/admin/Eligibilityv3tracked.pdf>

⁵ <http://fpsregs.org/images/admin/EligibilityWalesv1.pdf>

Information about measuring data is available on the TPR website:

<https://www.thepensionsregulator.gov.uk/en/trustees/managing-db-benefits/governance-and-administration/record-keeping/review-your-scheme-data>

To assist with completion of the scheme return, TPR have provided the following checklist and example return:

<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/db-scheme-return-checklist.ashx>

<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/db-scheme-return-example-form.ashx>

GAD Fire pension accounting disclosures

GAD currently provide annual pensions accounting disclosures for more than half of all Fire and Police authorities in England and Wales and are looking to expand their portfolio.

If you are interested in speaking to GAD about the possibilities surrounding your 2019-20 disclosures more information can be found in the attached flier ([Appendix 5](#)) along with contact details.

October 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 on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in September.

Other News and Updates

The Queen's Speech

The Queen's Speech to Parliament on 14 October confirmed the introduction of a new Pensions Schemes Bill, which was published on 16 October.

The main elements of the Bill, as stated in the background briefing notes⁶ to the speech, will provide a framework for Collective Defined Contribution (CDC) schemes, strengthen TPR's powers and existing sanctions, provide a framework to support pensions dashboards, and create new regulations to set out member rights to a transfer.

The latest news on the progress of the Bill can be followed on the parliament.uk website <https://services.parliament.uk/Bills/2019-20/pensionschemes.html>

6

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839370/Queen_s_Speech_Lobby_Pack_2019_.pdf

Eversheds Sutherland have produced a [Speedbrief](#)⁷ which outlines the provisions of the bill in more detail.

GAD PSPS newsletter

The Government Actuary's Department (GAD) has issued the [September edition](#) of its Public Service Pension Schemes newsletter. This is intended to be an informal note to provide regular updates on what is happening within the PSPS area of GAD and to highlight some current hot topics that schemes and other department contacts might be interested in.

TPO corporate plan 2019 – 2022

The Pensions Ombudsman (TPO) published their corporate plan on 2 October, outlining their priorities and strategic aims for 2019 – 2022.

TPO state that the focus of the plan is to ensure that “every dispute can be resolved at the earliest point, with no loss of quality”. This will include a redesign of the casework function and expansion of digital solutions, supported by a strengthened governance structure as recommended by the DWP Tailored Review⁸.

The full corporate plan can be read at [Appendix 6](#).

HMRC

Contracting-out reconciliation update

The following bulletin, containing important information about the services and support HMRC will provide now that Scheme Reconciliation Service (SRS) has ended, was published on 4 October 2019.

[Countdown bulletin 49](#)

Updates include:

- final SRS outputs
- Scheme Contracted-Out Numbers (SCONs)
- incorrect GMP
- Contribution Equivalent Premiums (CEP)
- raising queries with HMRC

⁷ <https://www.eversheds-sutherland.com/global/en/what/articles/index.page?ArticleID=en/Pensions/Speedbrief-The-Pension-Schemes-Bill-was-it-worth-the-wait>

⁸ <https://www.gov.uk/government/publications/the-pensions-ombudsman-tailored-review/tailored-review-of-the-pensions-ombudsman>

Training and Events

Pensions tax – London – 12 November 2019

We are pleased to invite readers to a pensions tax seminar being held at the LGA offices at 18 Smith Square, London on **Tuesday 12 November 2019**, from 10:30 to 15:30.

This conference will allow delegates to hear from various stakeholders on pensions tax for the Firefighters' and Police Pension Schemes.

The purpose of the day is to build up a picture of public sector pensions tax and how it is applied. The morning will cover the technical side of tax i.e. what it is, how is it calculated, what challenges arise, and then the second part of the day covers how can we move on, help better educate the sector and improve. The final session of the day will be a question and answer panel session with all of our speakers.

The event is aimed at FPS practitioners, Fire and Rescue senior management responsible for managing the pension scheme, LPB chairs and members, along with other professionals with an interest in the Firefighters' or Police Pension Scheme

A draft agenda is available via the booking link, however, please note that the programme is subject to change.

[Click here to book your place.](#)

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](#)

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FPS Bulletin 26 – November 2019

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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 contact [Claire Hey](#).

Eastern FPOG	10 December 2019
SAB	9 January 2020 - amended
North East regional FPOG	12 February 2020 – amended
LGA annual Fire conference and exhibition	10-11 March 2020
SAB	19 March 2020
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

FPS

Fire and Rescue workforce and pensions statistics published

The Home Office published workforce and pensions statistics for Fire and Rescue Services (England) on 31 October¹. The pension scheme statistics, covering April 2018 to March 2019, reflect data returns on income, expenditure and membership submitted by all 45 FRAs in England.

Some key results:

- Firefighters' Pension Scheme expenditure in 2018/19 was around £856 million.
- In 2018/19, 81% of expenditure was "recurring outgoing payments" and 18% was "commutation payments".
- Firefighters' Pension Scheme income in 2018/19 was around £257 million.
- In 2018/19, 53% of income was "employer contributions", 44% was "employee contributions" and the remaining 4% comprised transfers, miscellaneous income and ill-health charges.
- The Firefighters' Pension Scheme deficit in 2018/19 was around £599 million.
- As at 31 March 2019, the total number of pensioner members was 43,665. Of these, 95% were members of FPS 1992.

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/843566/fire-rescue-workforce-pensions-1819-hosb2619.pdf

ABS 2019 survey – action required

A little later than anticipated, we are pleased to launch this year's survey of the ABS process, developed in collaboration with the SAB Local Pension Board effectiveness committee.

The survey was extended last year to invite administrators to submit responses, and while the 2018 web-based version gave more flexibility to response options, there were issues around the clarity and wording of the questions, particularly for measuring internal controls, and issuing the same question set to both FRAs and administrators skewed the results in some areas. The 2018 [research report](#)² was published in April 2019.

Taking into account feedback and learning from previous years, we have revised the question sets and have developed separate surveys for the FRA and administrator to complete. We welcome one reply from each FRA, and for administrators with multiple FRA clients, a completed survey per authority.

To ease the burden on those administrators, a third, shorter version of the survey has been provided, with the intention that they will complete a full survey for the first FRA and the reduced version for each subsequent submission.

FRA (employer) survey https://www.surveymonkey.co.uk/r/ABS_2019_SURVEY_FRA

Administrator survey for single, or first of multiple FRAs

https://www.surveymonkey.co.uk/r/ABS_2019_SURVEY_ADMIN

Administrator survey for subsequent multiple FRAs

https://www.surveymonkey.co.uk/r/ABS_2019_SURVEY_ADMIN_PLUS

We would be grateful for your responses by **10 January 2020**. If you require any further information or clarification on the surveys, please contact claire.hey@local.gov.uk.

FPS England - 2020 valuation draft data specifications

The Government Actuary's Department (GAD) has issued the draft 2020 valuation data specifications for FPS England. This has been circulated by email to software suppliers and administrators.

The data specifications are mostly the same as they were for the 2016 valuation, with the one major addition being the inclusion of extra data requirements for salary and contribution information between 2015 and 2020 following the McCloud judgement.

As these specifications are in draft GAD welcome any comments from administrators regarding the contents or structure of the document. Please submit any comments to bluelight.pensions@local.gov.uk.

GAD will follow up in the near future with the required data collection spreadsheet and instructions.

A new page has been created in the member-restricted area of www.fpsregs.org to hold confidential or draft documentation relating to the valuation process <http://fpsregs.org/index.php/member-area/scheme-valuations-restricted>. If you require log-in details for the member area, please contact us on the email address above.

² <http://www.fpsboard.org/images/PDF/Surveys/ABS2018.pdf>

Accounting disclosures: Police and Firefighters Pension Schemes 2019/20

Have you started thinking about your 31 March 2020 pension accounting disclosures? If not, now is the time!

Click on the attached flier ([Appendix 1](#)) to find out how Hymans Robertson can help you.

November 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 on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in October.

Other News and Updates

TPR governance and administration survey 2019

Invitations for the Pension Regulator's annual Governance and Administration survey were sent out 6 November 2019 with a deadline of 29 November 2019. An email was sent to Local Pension Board chairs to remind them to liaise with their scheme manager to ensure completion within the deadline.

Before completing the survey, FRAs should ensure they are familiar with the recent guidance published on the [six key processes](#)³ used by TPR to measure public sector performance under and our guidance on [data scoring to measure accuracy](#)⁴. The TPR reports from previous surveys can be found on our dedicated webpage <http://www.fpsregs.org/index.php/legal-landscape/the-pensions-regulator>.

Pension Schemes Bill – second reading delayed

In [FPS Bulletin 25 – October 2019](#), we reported on the Queen's Speech confirming that a new Pension Schemes Bill would be introduced to strengthen TPR's powers, provide a framework to support pensions dashboards and introduce regulations covering the right to a pension transfer.

The first reading of the Bill took place on 15 October 2019 and the second reading of the Bill was scheduled to take place on 30 October 2019. However, this was delayed with no replacement date set, as the UK moves towards a general election on 12 December 2019.

LGA Pensions Adviser vacancy

The LGA is [recruiting](#) for a pensions adviser to lead on the development and implementation of an extended service to LGPS Scotland. It is a full-time role that can be either office (London) or home based. The salary scale ranges from £41,675 to £47,736 (plus London weighting where appropriate).

The closing date for applications is 3 January 2020; interviews will be held on 13/14 January 2020. For more information or to discuss this opportunity please contact Jeff Houston (07786 681 936) or Lorraine Bennett (07766 252847).

³ <http://fpsregs.org/images/admin/TPR-6-key-processes.v1.pdf>

⁴ <http://fpsregs.org/images/admin/TPR-data-scoring-2019-clean.pdf>

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletters 114 and 115 containing important updates and guidance on pension schemes. The following issues are covered:-

- [Pension schemes newsletter 114 – 30 October 2019](#): Registration statistics | Pension flexibility statistics | Pension scheme administration - moving pension recipients from one payroll to another | Relief at source | Guaranteed Minimum Pension Equalisation | Annual allowance scheme pays GOV.UK guidance |
- [Pension schemes newsletter 115 – 26 November 2019](#): Lifetime allowance and the 2019 to 2020 event report | Managing Pensions Schemes service - giving access to Government Gateway administrators and assistants | Managing Pension Schemes service - pension practitioner IDs | Relief at source - notification of residency status report for 2020 to 2021 | Annual allowance - members declaring their annual allowance charge on their Self Assessment tax return |

HMRC have published a new guide about paying the AA tax charge for pension scheme members. The guide entitled '[who must pay the pensions annual allowance tax charge](#)' has information about 'mandatory' and 'voluntary' scheme pays and provides links for members on declaring their AA charge on their self-assessment return.

Authorities are asked to remind those members who have exceeded their annual allowance for 2018/19 and who do not have sufficient unused annual allowance to carry forward to cover the excess, that they must declare this on their Self-Assessment tax return, even if the FRA is paying the tax charge.

Training and Events

Pensions tax – event summary

It was another full house at Smith Square on 12 November for the LGA Bluelight team's final event of the year: pensions tax in the Firefighters' and Police schemes.

In an unfortunate turn of events, Malcolm Eastwood was unable to chair the day due to ill-health and was ably substituted by Andy Hopkinson, DCFO at Bedfordshire FRS. We would like to take this opportunity to pass on the good wishes of the FPS community to Malcolm for a full and speedy recovery.

Andy remained at the lectern to deliver the first session of the day; an update on the work of the Public Service Pensions Alliance, which brings together pension experts from across the public sector, and is currently investigating options to help members better manage their tax consequences by improving freedom and flexibilities, and what evidence might be needed to build a robust business case.

Andy was followed by the ever-popular Annemarie Allen from Barnett Waddingham, with a look at the ins and outs of the annual and lifetime allowance.



Following a short break, the LGA's very own Clair Alcock delivered back to back sessions on unauthorised payments, including the how and why, and scheme pays, including the who and when.

In an afternoon dedicated to next steps, and in the tricky after-lunch slot, Laura Bowler of Pen-gage kept delegates entertained with a fascinating look at engagement and communication in relation to pensions tax: the good, the bad, and the ugly...



Craig Moran of First Actuarial then picked up the theme from Andy's earlier session with a look at the landscape across public service schemes, the work of the Scheme Advisory Board around the cost-cap breach, and what evidence is needed to build a case for change.

The final session of the day allowed the audience to direct their burning questions (no pun intended) to our panel of experts. And that's a wrap for 2019. See you all again in 2020!

The complete presentation slide decks from the event are available [here](#)⁵. Please note that Annemarie's slides are available to delegates of the session only.

To view the full conference in pictures, visit our [@LGAWorkforce](#) twitter feed, #LGAfirepensions

⁵ <http://www.fpsboard.org/images/PDF/Events/Pensions-Tax/Pensions-tax-slide-deck-121119.pdf>

Legislation

NISR	Reference Title
2019/206	The Local Government Pension Scheme (Amendment) Regulations (Northern Ireland) 2019
SI	Reference Title
2019/1425	The Finance Act 2004 (Specified Pension Schemes) Order 2019
2019/1433	The Occupational Pensions (Revaluation) Order 2019
2019/1449	The Local Government Pension Scheme (Amendment) Regulations 2019
SSI	Reference Title
2019/357	The Firefighters' Pension Scheme (Scotland) Amendment Regulations 2019
2019/358	The Firefighters' Pension Schemes (Scotland) Amendment Order 2019
2019/380	The Police Pensions Amendment (Increased Pension Entitlement) (Scotland) Regulations 2019
2019/381	The Firefighters' Pension Scheme Amendment (Increased Pension Entitlement) (Scotland) Order 2019
2019/382	The Firefighters' Pension and Compensation Schemes (Amendment) (Scotland) Order 2019

[The Civil Partnership \(Opposite-sex Couples\) Regulations 2019 \[SI 2019/1458\]](#)

On 5 November 2019 the Government made the Civil Partnership (Opposite-sex Couples) Regulations 2019 [[SI 2019/1458](#)] which are effective from 2 December 2019. This means that an opposite-sex couple can give notice of a proposed civil partnership on 2 December 2019 after which the 28 day waiting period will commence (section 11 of [The Civil Partnership Act 2004](#)). This means an opposite sex civil partnership registration can take place from 31 December 2019.

These regulations were made in response to the Government [consultation](#) published on 10 July 2019, which proposed changing the law to allow opposite-sex couples to form civil partnerships (section 2 of the [Civil Partnerships, Marriages and Deaths \(Registration etc\) Act 2019](#)).

Also amended is section 37 of the Marriage (Same Sex Couples) Act 2013. This limits the conversion of a civil partnership into a marriage, to couples in same sex civil partnerships only. The Government has not made provisions to allow a marriage to be converted into a civil partnership.

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](#)
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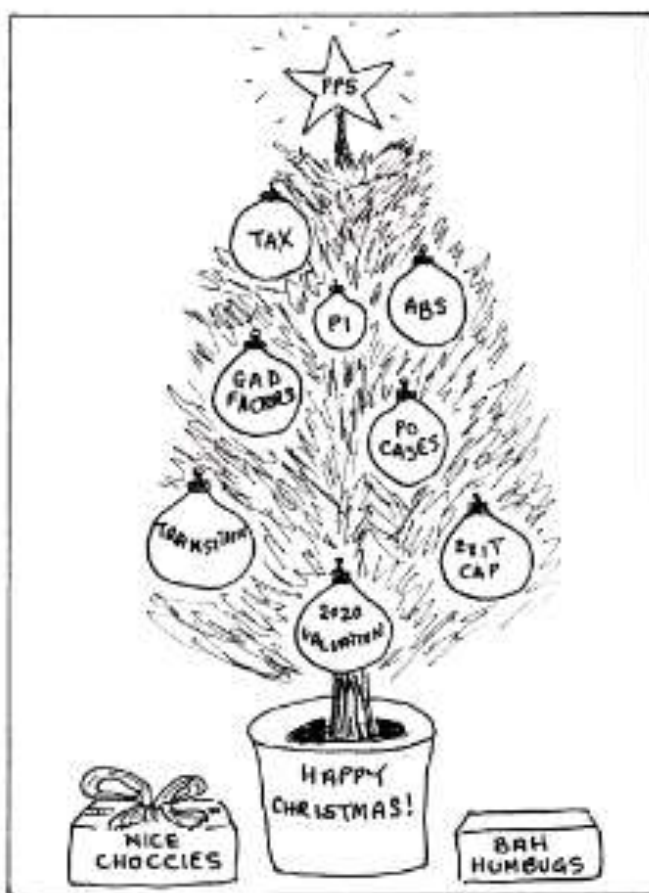
Email: claire.hey@local.gov.uk

FPS Bulletin 27 – December 2019

Welcome to issue 27 of the Firefighters' Pensions Schemes bulletin.

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.

May we take this opportunity to wish you all a very merry Christmas and happy New Year. Thank you for your help and support during 2019.



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If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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[FPS England SAB Updates](#)

- [A end of year message from the Chair](#)
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[Training and Events](#)

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[Useful links](#)

[Contact details](#)

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 contact [Claire Hey](#).

SAB	9 January 2020 - amended
Firefighter Pensions Technical Community	31 January 2020
Fire Communications Working Group	4 February 2020
North East regional FPOG	12 February 2020 – amended
Midlands regional FPOG	18 February 2020
Eastern regional FPOG	25 February 2020
SAB LPB effectiveness committee	5 March 2020
LGA annual Fire conference and exhibition	10-11 March 2020
SAB	19 March 2020
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

FPS

Update on transitional protections remedy (Sargeant)

As readers are no doubt aware, on 18 December 2019, the Employment Tribunal made an interim order on the firefighters' transitional protections claims. An employer's circular from the National Employers has been sent to FRAs informing of the detail which is available [here](#).

What the actual order does for claimants is to treat them as satisfying the age criteria regardless of their actual age as long as they meet the other criteria, which was to have been in the scheme at 31 March 2012 and 31 March 2015.

For example for claimants, [schedule 2, paragraph 12](#) should now read as automatically satisfying paragraph c regardless of their actual age

(2) This sub-paragraph applies if—

(a) P was an active member of the 1992 Scheme or an active member, or eligible to be an active member, of the NFPS on the scheme closing date;

(b)P was an active member of the 1992 Scheme or an active member, or eligible to be an active member, of the NFPS on 31st March 2012; and

(c)if P is an active-member of the 1992 Scheme, P would, unless P dies, reach normal pension age under the 1992 Scheme or if P is an active member or eligible to be an active member of the NFPS, normal pension age under the NFPS on or before the 1st April 2022

We understand that firefighters will be eager to understand what this means for them and no doubt administrators and FRAs will be receiving queries. Home Office have provided a factsheet ([Appendix 1](#)) that can be issued to members and we have provided some suggested text below in order to respond to those queries:

“We are aware of the interim declaration made by the Employment Tribunal that claimants represented in the Sargeant legal case are entitled to be treated as if they remained in the Firefighters Pension Scheme 1992 (FPS 1992). In order to comply with the Tribunal’s order FRAs will need further direction from Government on the practical steps to enable implementation and we await that direction, albeit the Home Office have since issued a factsheet.

In the meantime to enable us to prioritise urgent cases, if you believe you are a claimant and you have an immediate retirement event; i.e. you are going through or have gone through an ill-health retirement or you wish to retire from the scheme with immediate effect and meet the eligibility requirements of being over 50 with 25 years’ service (includes service in the 2015 Scheme) please contact [\[insert relevant contact details\]](#) with confirmation of your status as a claimant and details of your retirement claim.

The order does not specify treatment of non-claimants at this time, however Government have confirmed their intent that non-claimants in the same legal and factual position as claimants intends to extend the same treatment to all members of the public service pension schemes, including the Firefighters’ scheme, (whether claimants or not) who are in the same legal and factual position as the claimants. If you are a non-claimant with a similar immediate retirement event to claimants, please contact us. “

However, there are some steps that FRAs can take in the meantime to identify members with relevant service, whether claimants or non-claimants so that once proposals are finalised they are in a position to act.

- Current Ill-health cases with the IQMP
 - Ask the IQMP to assess the applicant under both the 1992 and 2015 scheme terms.¹
- Retrospective Ill-Health applications since 1 April 2015
 - Identify these into one of the below categories
 1. Assessed for IQMP under 2015 scheme terms and did not meet tier 1, therefore no ill-health pension is in payment.
 - The authority may want to consider whether it is appropriate to request an IQMP assessment under the 1992 terms, if the employer had not already asked the IQMP to assess under both schemes.

¹ Ill-Health certificates are available here - <http://www.fpsregs.org/index.php/member-area/ill-health-and-injury>

2. Assessed for IQMP under 2015 terms and met tier 1 requirements but not tier 2, therefore lower tier currently in payment only
 - The authority may want to consider whether it is appropriate to request an IQMP higher tier assessment on ability to perform regular employment under the 1992 terms, if the employer had not already asked the IQMP to assess under both schemes
 3. Assessed for IQMP under 2015 terms and awarded higher tier
 - A further IQMP assessment will not be necessary, however in some cases the enhancement paid for higher tier in the 2015 scheme will enhance the overall value of the pension being paid (meaning the pension paid under the 2015 terms is more than then pension that would be paid under the 1992 terms), however a lump sum paid under the 1992 scheme would be higher than that paid under the 2015 scheme. The authority may consider it appropriate to ask their administrator to provide a calculation of the benefits that might be provided under the 1992 terms for comparison purposes.
- Identify members that may have had or be eligible for immediate retirement², ie those members who are age 50 with over 25 years of service.
 - Identify members who may under the current scheme rules taper into the 2015 scheme from January 2020

Updates will be provided by email and via the monthly bulletins as new information or direction is received.

Firefighters' Pension Schemes (England) - Factor Guidance Notes

HM Treasury reduced the SCAPE discount rate from 2.8% to 2.4%pa above CPI from 1 April 2019. As a result of the change, the Government Actuary's Department (GAD) undertook a [factor review](#) for the Firefighters' Pension Schemes. The revised factors were provided by email to FRAs, during 2018 -2019. GAD has now produced guidance notes and example calculations to reflect the revised factors. These are provided below.

- [FPS 1992 and FPS 2006 CPD APB - factors and guidance](#)
- [FPS 2015 Age additions and assumed age additions - factors and guidance](#)
- [FPS 2015 Club Transfer guidance](#) (supplement to the Club Memorandum)
- [FPS 2006 Early retirement - factors and guidance](#)
- [FPS 2015 Early payment reductions - factors and guidance](#)
- [FPS 2006 Purchase of increased benefits - factors and guidance](#)
- [FPS 2015 Purchase of Additional Pension - factors and guidance](#)
- [FPS 1992 Tax charge debits - factors and guidance](#)
- [FPS 2006 Tax charge debits - factors and guidance](#)
- [FPS 2015 AA charges: scheme pays offsets - factors and guidance](#)
- [FPS 2015 LTA pension debit - factors and guidance](#)

All factor tables and guidance notes can be found on our website at <http://fpsregs.org/index.php/gad-guidance>.

² <http://www.fpsregs.org/images/admin/RetirementFPS2015v1.pdf>

Please note: **In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.**

We have received a number of queries regarding the guidance, which have been forwarded to the Home Office for review. Please submit any comments to bluelight.pensions@local.gov.uk.

December 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 on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in November.

FPS (England) SAB Updates

A end of year message from the Chair

“Dear Friends & Colleagues,

Christmas is traditionally a Family Time and it is my pleasure to send to all of you within what I fondly refer to as my Fire Pensions Family my personal 'Festive Best Wishes' for Christmas, the New Year and 2020.

It doesn't feel like it is 12 months ago that I sat down to write last year's Festive Message to you all...and yet, here we are again, frantically getting ready for the "Big Day", and the closure of another busy year.

Christmas is generally a time for reflection and when I look back over the year, we have seen so much happening within the Fire Pensions domain, much of which has involved the majority of you reading this message in one way or another...”

Read more from Malcolm Eastwood, chair of the Firefighters' Pensions (England) Scheme Advisory Board at [Appendix 2](#).

ABS 2019 survey – reminder of action required

Many thanks to colleagues who have been able to submit a response to this year's survey of the ABS process, developed in collaboration with the SAB Local Pension Board effectiveness committee. We encourage those who have not yet responded to take the opportunity to do so, so that the research report fully reflects the national picture.

Taking into account feedback and learning from previous years, we have revised the question sets and have developed separate surveys for the FRA and administrator to complete. We welcome one reply from each FRA, and for administrators with multiple FRA clients, a completed survey per authority.

To ease the burden on those administrators, a third, shorter version of the survey has been provided, with the intention that they will complete a full survey for the first FRA and the reduced version for each subsequent submission.

FRA (employer) survey https://www.surveymonkey.co.uk/r/ABS_2019_SURVEY_FRA

Administrator survey for single, or first of multiple FRAs

https://www.surveymonkey.co.uk/r/ABS_2019_SURVEY_ADMIN

Administrator survey for subsequent multiple FRAs

https://www.surveymonkey.co.uk/r/ABS_2019_SURVEY_ADMIN_PLUS

An Excel version of the question set can be provided on request, and we can also export submissions on an individual basis following the closing date and provide FRAs with their own data for discussion at Local Pension Board meetings if required.

Please note that the closing date has been brought forward to **6 January 2020**, as our paid Survey Monkey plan expires on this date. If you require any further information or clarification on the surveys, please contact claire.hey@local.gov.uk.

TPR data requirements – 2019 scheme return: update

In [FPS Bulletin 25 – October 2019](#) we included updated guidance for completing The Pension Regulator (TPR) scheme return, with some new scheme specific items added and an expanded section on testing data for accuracy.

<http://fpsregs.org/images/admin/TPR-data-scoring-2019-clean.pdf>

<http://fpsregs.org/images/admin/Data-score-weighting.xlsx>

It appears that some confusion has arisen regarding the status of the document which we had initially classified as informal guidance, and therefore some parties had not recognised that this would form the basis of a standard, fire-specific, extract. We have now changed the category of the document from “information” to “advice” and would like to make clear that we consider this a final standard version for suppliers and authorities to take account of.

TPR have noted that, in their opinion, the role of the SAB to advise scheme managers and pension boards carries sufficient weight for a supplier to pay attention to it.

Other News and Updates

Pension Schemes Bill reinstated

Following the general election on 12 December 2019, the Queen’s Speech setting out the government’s policies³ has confirmed that the Pension Schemes Bill has been reintroduced to:

- “Support pension saving in the 21st century, putting protection of people’s pensions at its heart.
- Create a legislative framework for the introduction of pensions dashboards to allow people to access their information from most pensions schemes in one place online for the first time.”

3

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/853886/Queen_s_Speech_December_2019_-_background_briefing_notes.pdf [Page 56]

The first reading of the Bill took place on 15 October 2019 and the second reading of the Bill was scheduled to take place on 30 October 2019. However, this was delayed due to the election.

Training and Events

2019 facts and figures

We've been out on the road again in 2019, attending meetings and providing training to FRAs and LPBs; including 16 regional Fire Pension Officer group meetings and 22 local or regional training sessions for boards and scheme managers. Some of the many HQs we've visited this year are pictured below. See if you can spot yours!



In addition to our regional engagements, we've held a six national training events at the LGA offices in London, including several joint sessions with colleagues from the Police scheme, the annual two-day AGM and a wrap-up session for LPB members.

Information about our national events can be found on our [Events](#) page.

Back at base (and beyond), we have facilitated four meetings of the SAB, six SAB committee meetings, three communications group and three technical group meetings. In addition, we are regular visitors to the devolved SAB meetings to provide an overview of issues arising in England, and represent FPS interests at sector specific forums.

We look forward to offering an exciting and varied programme of events in 2020 based on the outcomes of our [training survey⁴](#), and as ever, are happy to tailor bespoke sessions for local and regional groups. For information, please contact us at 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](#)

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⁴ <http://www.fpsboard.org/images/PDF/Surveys/Training2019.pdf>

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Whilst 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.

Home Office – Sargeant fact sheet

Background

CARE Schemes

In 2014 or 2015 all main public service pensions, including the firefighters' scheme, were reformed to provide defined benefits on a career-average basis.

In a career average scheme, members build up pension each year based on a percentage of their pensionable earnings and this is added to their pension account. The pension account contains the pension built up in previous years and is revalued each year. When a member retires, the total built up in your pension account is received as an annual pension. This is called Career Average Revalued Earnings (CARE).

Reforms were made that reflected the recommendations of Lord Hutton's Independent Public Service Pensions Commission, which produced its final report in March 2011, and were intended to make public sector pensions affordable and sustainable in the long term.

Transitional Protection

In all the main public service CARE schemes introduced in 2015, those closest to their scheme's Normal Pension Age (NPA), which is when a member could choose to retire with an unreduced pension, were given 'full' transitional protection. In practical terms this meant that those within 10 years of their NPA as at April 2012 were allowed to remain in their current scheme.

In most of these schemes those who were between 10 and 14 years from normal retirement age were given 'tapered' transitional protection, meaning they did move to the new 2015 scheme, but at a later date than those members who were not afforded transitional protection.

McCloud/Sargeant

Two claims were brought, one against the judges' pension scheme (the *McCloud* case), the other against the firefighters' pension scheme (the *Sargeant* case) claiming that transitional arrangements were discriminatory on the basis of age, sex and race. The claims were heard together.

The Court of Appeal determined, amongst other things that transitional protection gave rise to unlawful age discrimination in the judges' and firefighters' pension schemes. The Supreme Court refused the Government's application for permission to appeal, meaning that the Court of Appeal decision stands.

On 15 July 2019 the Chief Secretary to the Treasury made a written ministerial statement (HCWS1725) confirming that, as 'transitional protection' was offered to members of all the main public service pension schemes, the government believes that the difference in treatment will need to be remedied across all those schemes. The statement set out that government, alongside the Employment Tribunal process, will also engage with employer and member representatives, and the devolved administrations, to help inform proposals to the Tribunal and in respect of the other public service pension schemes.

A case management hearing was scheduled for 18 December 2019 in the *Sargeant* case, with a view to setting out the procedural steps to appropriately implement the Court of Appeal decision.

1. What happened at the Firefighters' case management hearing on the 18 December?

The Court of Appeal determined in its judgment in *Sargeant* that the transitional provisions in the Firefighters' pension schemes resulted in direct age discrimination between:

- a) those who were members of the old scheme (the Firefighters' Pension Scheme 1992) ("FPS") and were fully transitionally protected by remaining in that Scheme after 31st March 2015 as a result of being an active member under the 1992 Scheme on 31st March 2012,
- b) those who were members of the FPS as at 31st March 2012 and were not treated as fully transitionally protected and moved to the new English Firefighters' Pension Schemes after 31st March 2015,

In the light of this, the Tribunal in the *Sargeant* case gave an interim declaration that the claimants (who all fell in within category (b)) are entitled to be treated as if they had been given full transitional protection and had remained in their current scheme after 1 April 2015.

The Government intends to extend the same treatment to all members of the public service pension schemes (whether claimants or not) who are in the same legal and factual position as the claimants.

The Government is also aware that many non-protected members may be better off in the new career average pension arrangements than they would have been in the old pre-2015 pension schemes and would suffer a detriment if they simply moved back to the old schemes. It is therefore the government's intention to ensure that such persons can keep the benefits they have accrued and making the required changes to the public service pension schemes will take time.

2. Changes to the Firefighter Pension Schemes

The difference in treatment will in due course be removed for all members with relevant service across all the main public service pension schemes – not just those who have lodged legal claims. Any solution will need to ensure that all members can instead keep the pensions they have earned to date.

The Government will be launching a public consultation on changes to the schemes and before that will hold a series of technical discussions with stakeholders. This will progress alongside the remedy directed by the Tribunals in the *Sargeant* case.

For the Firefighters' pension scheme, some members are likely to have been better off remaining in their old scheme, while others may benefit more from the new scheme – that will depend on the individual circumstances of affected members. Any changes to the scheme must take account of this in order to ensure members can keep benefits they have already accrued.

Technical discussions will be held with the Firefighters' Pensions Scheme Advisory Board (SAB). The SAB comprises members of the Fire Brigade's Union, Fire and Rescue Services Association, the Fire Officers' Association and the Fire Leaders' Association as well as employer representatives.

These discussions will consider changes to the scheme which are necessary:

- in order to remove discriminatory provisions from the public service pension schemes for non-claimants; and

- to ensure individuals can keep benefits they have accrued regardless of changes needed to remove discrimination, for example if they would have been better off in the new scheme.

Following these discussions, the Government will formally consult on its proposals, providing a further opportunity for input.

3. What about ill-health retirees and those who have already retired?

The Government is committed to urgently addressing the position of scheme members who have been ill-health retired or have already retired from the 2015 scheme. Changes of this nature require time to implement and the Home Office will provide further detail in due course. Please contact your FRA if you are an affected claimant.

4. Does the McCloud/Sargeant judgment increase the costs of public service pensions?

Initial estimates suggest removing the difference in treatment the discrimination will add around £4bn per annum to scheme liabilities across the public services from 2015.

The underlying aims of the 2015 reforms remain: public service pensions are and will continue to be a significant cost for the taxpayer. The McCloud/Sargeant judgment does not alter the government's commitment to ensuring that the cost of public service pensions is both affordable for taxpayers and sustainable for the long term.

5. Will the additional cost of removing the difference in treatment be borne by employers?

The most recent valuation process set employer contribution rates until 2023. The next valuation will assess scheme costs in the round, in the usual way, and will set employer contribution rates from 2023. There are numerous factors that could affect the valuations between now and then, of which the McCloud ruling is just one.

It is too early to say whether employer contribution rates will increase from 2023. If deficits do emerge in the scheme, they will need to be paid off over the deficit recovery period in the usual way.



19 December 2019

Dear Friends & Colleagues,

Christmas is traditionally a Family Time and it is my pleasure to send to all of you within what I fondly refer to as my Fire Pensions Family my personal 'Festive Best Wishes' for Christmas, the New Year and 2020.

It doesn't feel like it is 12 months ago that I sat down to write last year's Festive Message to you all...and yet, here we are again, frantically getting ready for the "Big Day", and the closure of another busy year.

Christmas is generally a time for reflection and when I look back over the year, we have seen so much happening within the Fire Pensions domain, much of which has involved the majority of you reading this message in one way or another.

At the start of the year, we were continuing our work on the [2016 Valuation](#) breach of Cost Cap which challenged the SAB and our Cost Committee with the figures this produced; we were busily trying to establish what this would actually mean for Fire Authorities when the process was suddenly paused....

Taking its place on our agendas came the outcome of the 'Sargeant' transitional protections case and that the provisions were indeed deemed to be age discriminatory and therefore unlawful.

The preliminary ET remedy hearing has now taken place and I suspect much of next year's endeavours will be focused on dealing with the outcome and the ensuing administrative challenges this will present, which I have every confidence you will deal with efficiently and professionally.

It is worth mentioning here that there is still a lot speculation and social media attention with regards to this case given its affect across public sector. While there is now an interim order for immediate cases there is still an ongoing legal case and the outcome for individuals has yet to be determined, it is not simple and straightforward and could take some time as there are a lot of legal and procedural details to be determined. As and when details become known I expect these will be published in a bulletin /advisory note and would advise you to keep a close eye on the bulletins.

Earlier in the year, we put before you our Questionnaire produced by AON for the Benchmarking Survey to determine the average costs of managing Fire Pensions for FRA's; we are grateful to AON for all their work and also those of you who completed and returned

this survey which showed us that FRA's have difficulty in accurately determining their actual costs in order for us to establish a benchmark of an average figure.

Whilst this was somewhat disappointing it was not unexpected as it isn't what we could call an exact science given the variables across the numerous types of FRA's out there; we have discussed this at length and we will now be looking to collaborate with the 'Fire Finance Network' to collect the cost data required.

The key themes emerging from the [AON report](#) where improvements could be made on effectiveness of administration were: Complexity, Reporting Breaches, Communication, Data & Relationships.

Having considered all of the above, we will be forming working groups through the LGA to take forward actions recommended within the report and its outcomes; we will continue to keep you updated and advised via the Bulletins.

The Annual [TPR Governance & Admin Survey for 2018](#) provided interesting outcomes for us, in general we accredited ourselves well and showed improvements over the previous year. TPR's main concerns were that a number of FRA's LPB's were still not meeting quarterly as per their guidelines; they were concerned at the number of LPB's which did not appear to have a 'Risk Management Process' in place and identified issues around Data and frequency of Data Reviews.

TPR also expressed concerns as to low number of 'Breaches' reported to them by Fire; we are discussing these findings with TPR and will be formulating advice and guidance for FRA's / LPB's as to ways to make improvements...

TPR have also advised us that during 2020 they will be undertaking what they call, "Relationship Supervision", with 4 FRA's on an anonymous basis; this is a process they have carried out with other pensions schemes and is something we should welcome and not be concerned about as their findings will surely assist us in our aim to improve the way we work and ensure higher levels of efficiency and service to our scheme members.

Our Local Pension Board Committee is working closely with FRA's and TPR to assist our LPB's in their work schedule to ensure they tick all the right legislative boxes and deliver the service and safeguards they were designed to provide. This is a good place to remind those of you with responsibilities for Fire Pensions within your FRA / LPB that you are entitled to an annual training / Update session from the LGA via the Clair(e)s; something to get on your new 2020 calendars quickly while diary space is available...

During 2019 we have held a number of extremely successful events covering topical subjects on, Data, Governance, Ill Health, Pensionable Pay and Pensions Tax; these sessions were all complimented by our annual LPB wrap up training and of course the ever popular AGM which was again a great success and a fantastic opportunity for those attending to network with each other; details of these events are contained on our website for those who were unable to attend <http://www.fpsboard.org/index.php/events>.

Watch out for the announcement early in the New Year of the programme of exciting events for 2020 - "book early to avoid disappointment", is good advice as I am delighted to say all the events run for you in 2019 have been total "sell outs"...

Other 'ongoing matters of interest' we are involved with are, the old favourite, 'Dashboards', currently this initiative is progressing via DWP and we are still monitoring it closely to ensure the input required from FRA's is not too resource intensive. We did get an assurance that 'Fire' will not be asked to participate immediately and it is likely to be another 2 to 3 years before DWP will invite us to supply the data they require. The SAB & LGA will of course continue to monitor and comment on any aspects of interest / concern.

As many of you are aware, I was unfortunately taken ill the day before the Tax Seminar on the 12th of November, which I was looking forward to Charing, and I am grateful to those of you who kindly sent me your good wishes for a speedy recovery which helped me considerably.

Whilst I am recovering well, the results of numerous tests, etc. have shown that I am, 'work in progress' during 2020 for my medics, which has also confirmed to me that my decision to reluctantly stand down as your Chair of the SAB on the 31st of March next year is the right one...

After I have left, I will keep an external eye on all that is going on within the SAB, FRA's, LPB's and above all, those of you who do so much for those of us privileged to be Scheme Members, as it is my intention to keep drawing my Fire Pension for many years to come...

I will of course write to you all again before I actually 'sign off' from the role I have cherished and enjoyed for the last four years.

It is a privilege to work with you all and in particular "The Clair(e)s", Clair Alcock & Claire Hey, both of whom do so much for us all and, without their unstinting work and support, the SAB and 'Fire Pensions' in general would not be as effective as it is.

I am conscious of the excellent work that is done by those of you out there in your various roles on a day to day basis within your FRA's etc., often enhanced by the additional tasks you take on through your work of the Regional FPOG's, the Technical and Communications groups. A number of you also sit on our Cost, Admin & Benchmarking and Local Pension Board working groups, for which we are very grateful as your contributions at these meetings are extremely useful.

I close by wishing you and your families a very Merry Christmas and New Year, enjoy yourselves, relax and build yourselves up for what I'm sure will be a very busy, challenging but enjoyable 2020...

Warmest Festive Wishes To You All...

Malcolm.

**Malcolm Eastwood, CBE, CStJ, QFSM, FIFireE.
Chairman, English Firefighters' Pension Scheme Advisory Board.**



Firefighters' Pensions England

Scheme Advisory Board

LPB EFFECTIVENESS COMMITTEE

ACTIONS AND AGREEMENTS

Wednesday 7 August 2019

18 Smith Square, Westminster, London SW1P 3HZ

PRESENT

Tristan Ashby (TA)	Chair
Malcolm Eastwood (ME)	Scheme Advisory Board chair
Clair Alcock (CA)	LGA
Dave Limer (DL)	SAB Scheme member representative
Cllr Roger Phillips (RP)	SAB Scheme employer representative
Ian Howe (IH)	Technical/ Admin representative (Leics CC)
Debbie Yeates (DY)	FRA/ HR representative (Lincolnshire)
Alan Tranter (AT)	FRA/ LPB representative (West Midlands)
Becky Smeathers (BS)	FRA/ Finance representative (Nottinghamshire)
Claire Hey (CH)	LGA – Board secretariat (minutes)

1. Introductions and apologies

- 1.1. Introductions were made around the room as three members were attending for the first time: Cllr Roger Phillips, Alan Tranter, and Becky Smeathers.

2. Chair's welcome

- 2.1. TA welcomed all to the meeting and thanked all for attending.

3. Changes to membership

- 3.1. AT from the West Midlands Fire Service pension board has joined the committee to replace Stuart Wilson as FRA/ LPB representative.

4. Review previous actions (18 April 2019¹)

- 4.1. The minutes of the previous meeting were agreed.

i. CA to draft factsheet on reporting ABS breaches.

¹ <http://www.fpsboard.org/images/PDF/LPBsub/Minutes180419.pdf>

4.2. Action carried forward.

ii. CA to develop RAG matrix of board engagement, with a checklist for committee members attending meetings.

4.3. Action carried forward. CA to compile a basic checklist for committee members observing LPB meetings.

iii. CA to liaise with BS regarding status of the East Midlands joint board application.

4.4. Application has now been submitted to the Secretary of State and is awaiting decision. BS said that the Home Office have emailed to confirm there will be a slight delay.

4.5. TA queried whether the new minister for Fire has been announced following the Cabinet reshuffle. CA confirmed that Kit Malthouse has replaced Nick Hurd as minister for Policing and the Fire Service.

iv. CA to circulate draft guidance to SAB by email for review and approval.

4.6. Joint board guidance as prepared by the committee was submitted to the SAB for approval on 13 June 2019 and was published with FPS Bulletin 21².

v. CA to invite system providers to next meeting on 7 August 2019.

4.7. The decision was taken not to invite the system providers following discussion at the CLASS AGM in July. Further commentary is provided under item 6.

vi. CA to develop short, high-level slide deck and send Go-To Meeting request (new action iii).

4.8. Action carried forward. TA has put together some brief slides which have been used at meetings attended.

vii. CH to review draft TOR and issue a revised tracked version to FRAs.

4.9. Revised TOR reviewed by committee and issued to FRAS with FPS Bulletin 21³. IH had raised whether joint boards were covered by these terms. CH confirmed that this would be addressed separately once the outcome of the application is known.

5. Joint Board applications - verbal update

5.1. BS noted as above that the application has now been submitted, adding that the proposal also addresses points raised within the TPR governance and administration survey report, regarding resilience and maintaining knowledge.

² <http://www.fpsboard.org/images/PDF/Bulletin21/Appendix5.pdf>

³ <http://www.fpsboard.org/images/PDF/Bulletin21/Appendix7.docx>

5.2. IH said that although the outcome is not yet known, the argument presented within the submission is as strong as it can be. CA will highlight the level of robustness again to the Home Office, noting that this will strengthen the position of the boards both individually and as a collective.

6. Feedback from CLASS AGM and SE FPOG

6.1. IH explained that the CLASS user group sits between software provider Aquila Heywood and the system users, to provide feedback and liaison between the parties. The AGM is held each July and consists of plenary and breakout session to update users on current issues or future developments.

6.2. As chair of the Police and Fire user group, IH led two dedicated breakout sessions built around the effectiveness of LPBs in practice, including how information such as breach reporting is fed back to boards. IH confirmed that the sessions had received good feedback. A current focus is on the provision of online member self-service and the expectations driven by the pension dashboard project.

6.3. DY asked whether other suppliers are likely to follow suit. Lincolnshire's administrator is currently rolling out limited self-service facility, but have now asked members to stop registering. IH confirmed that similar issues affect both commonly used administration systems due to the complexity of calculations and current protections. Leicestershire are ready for the service to go live with a strong caveat on the projection tools. Aquila Heywood have been informed of faults and are working to resolve these.

6.4. DY asked whether software issues tie in with the Aon review of scheme administration and what incentive there is for suppliers to provide fixes. IH explained that Heywood provide two software releases per year as part of their contract. If any fundamental flaws are discovered, patches are released to fix them. As there is a strong focus on member self-service, they are keen to resolve issues quickly. CA added that IH's role on the committee promotes these concerns at a national level.

6.5. CA noted that Civica attended the FPS data conference in April to demonstrate their member self-service offer⁴. The demonstration at the data conference had focussed on the functionality of the software, rather than the background calculations, so it is not known how much development has been made without a further update. The group agreed however that with the Sargeant remedy unknown at this stage, further development would be unlikely until the principles of remedy are established.

4

<https://www.local.gov.uk/sites/default/files/documents/Civica%20Presentation%2003%2004%2019.pdf>

- 6.6. IH added that this point also applies to providing projections on Annual Benefit Statements (ABS). All FRAs administered by Leicestershire CC wanted to include projections despite the uncertainty and the LPBs' top requirement is for members to be able to run projections and model their own benefits online. AT highlighted that people want different information at different points in their career and asked whether the cost of providing this service outweighs the value to members.
- 6.7. DY queried whether the cost of new releases and patches is passed on to clients through increasing prices or attraction of new clients, adding that this would drive up the cost of administration. WYPF prioritise cases closer to retirement when providing estimates as online facilities are not currently available.
- 6.8. IH stated that online modelling can also assist younger members with career planning and can flag up the likelihood of an annual allowance breach and how this might be managed. Online self-service will reduce the volume of estimate requests; Leicestershire's administration strategy states that one free estimate will be provided within a 12 month period, but this is not the basis that Heywood's MSS module is implemented.
- 6.9. IH is confident that the service can be launched within the next three months. Outputs are expected to be correct in 99% of cases, with the exception of AA breaches, special members of FPS 2006, current year transition members, where maximum tax free lump sum is exceeded, and CPD, although this has minimal impact.
- 6.10. CA explained that the CLASS AGM had been opened up to non-Heywood clients for the first time this year. CA said that the breakout sessions had discussed ABS and the value of including projections, although this decision should be made by the FRA in conjunction with their administrator and there are pros and cons to both options. CA emphasised that any projections can only be based on the current regulations in force. No indication of statistics on inclusion is available.
- 6.11. BS stated that the Nottinghamshire LPB had a strong view to include projections as this is the first thing that members look at. DY added that WYPF are offering an extended range of projections this year to try to reduce the volume of subsequent estimate requests.
- 6.12. RP stated that errors in calculations carry a reputational risk for software suppliers and that caveats should be provided on ABS projections. RP suggested that, as the root of many problems seems to lie with the complexities of the scheme, this should be reported to TPR.
- 6.13. CA said that the risks discussed mainly relate to online self-service rather than ABS. The expectation is that LPBs will support and engage with software issues. The Aon report demonstrates that a combination of a small, complex scheme with limited number of members leads to a higher cost per member. FRAs may not be able or willing to pay an increased cost, therefore the committee should consider whether to accept the costs as read or look into alternatives.

6.14. IH noted that Heywood are involved with the pension dashboard project on the technical side, so their member self-service offer needs to be fit for purpose and it is in their interests to resolve any outstanding issues. CA agreed that the dashboard and scheme reform will drive expectation of electronic communications, however, cost is a primary factor.

6.15. CA proposed the following options to engage with software suppliers using the evidence from the administration review and discussions at previous committee meetings :

- i. Invite providers to the next SAB meeting in October.
- ii. Set up a separate engagement group with the committee chairs, IH as CLASS P&F user group chair, and Helen Scargill as technical adviser to the SAB.
- iii. A dedicated workshop at the Fire Pensions annual conference.

6.16. The committee unanimously supported the creation of an engagement group. RP stated that the full SAB must also have sight of this to promote the group's agenda.

Action:

- iv. **CA to set up meeting of software engagement group in line with option ii.**

6.17. TA fed back from the recent South East regional Fire Pension Officer Group (FPOG) attended on 26 July, stating that he had appreciated the invitation and the group were very enthusiastic. CH asked for views on how FPOGs could best engage with LPBs. TA said he would expect attendees to feed relevant points back to their respective boards and added that this visit had generated a further invite to an LPB meeting.

6.18. DY stated that the Lincolnshire representative feeds back from the NE group to the LPB, as well as attendance by the administrator, and it is useful to get peer views and support. IH added that the Midlands group mainly consists of administrators, as Leicestershire CC hold separate quarterly client meetings for their FRAs. CA confirmed that some groups are more administrator-led, however, the meetings can be very useful for FRA liaison officers.

6.19. TA encouraged committee members to attend a regional group if they had opportunity and asked whether members could be granted access to the FPOG minutes.

Action:

- v. **CH to create login details for member-restricted area of www.fpsregs.org for committee members and share dates of forthcoming FPOGs.**

7. TPR Governance & Admin survey results 2018⁵

- 7.1. CA confirmed intent to create a brief FPS commentary on outcomes of the TPR research report. Fire schemes have been named in the pensions press as holding least frequent LPB meetings and TPR have noted that they expect to see an improvement. This is a clear message from the Regulator which may potentially lead to cohort work as for LGPS in 2017 and carries the risk of reputational damage.
- 7.2. CA added that the increase in percentage scores is good, although there is still room for improvement. Both the TPR and Aon reports demonstrate mixed messages concerning knowledge and understanding. BS suggested that schemes may have access to the necessary resources, but do not understand how to apply the knowledge in practice.
- 7.3. CA said that LPBs should use the report to identify where efforts can be concentrated to improve effectiveness, and also as a self-assessment tool. ME expressed frustration over lack of LPB engagement, given the level of support and resources available. ME acknowledged that there have been significant improvements, yet there is a lack of interest at senior management level and a high turn-over of board members.
- 7.4. RP stated that LPBs were initially seen as an additional layer of bureaucracy, and not mainstream or important, although the landscape is gradually improving. RP stressed that LPBs are a statutory requirement and noted mixed experiences of TPR engagement on cohort work and reporting of breaches, through his role as chair of the LGPS SAB.
- 7.5. AT noted a disconnect between the scheme manager and LPB in his personal experience. The scheme manager is a corporate entity rather than a named individual and there is a perceived lack of accountability. TA said that this is not an isolated problem as some FRAs cannot identify their scheme manager.
- 7.6. CA agreed that this is the root of many problems. While resources are available and signposted, they are not being used. LPBs exist to hold the scheme manager to account, yet the responsibility is frequently delegated too far down the hierarchy within an organisation, and adequate reporting is not taking place. CA confirmed that feedback from LGA board training is good and can provide signposting to resources. However, the impetus to improve is soon lost as delegates return to business as usual.
- 7.7. TA asked whether Fire schemes would benefit from cohort work to improve engagement, as there is a lack of interest and motivation despite the support and resources provided. DY highlighted that FRAs have many conflicting priorities and pensions are not seen as a key risk by Lincolnshire; although the scheme is costly to manage, it is felt to be managed correctly in the majority of cases.

⁵ <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/public-service-research-2019.ashx>

- 7.8. BS stated that Nottinghamshire have three meetings per year and these are always well attended. The board advise and provide guidance to the scheme manager, without making decisions. Training is provided at the end of each meeting. BS added that the meeting format will be revisited if the joint board application is approved.
- 7.9. CA agreed that there is no issue where the risks have been considered and understood, such as not meeting quarterly. There is nothing in legislation to enforce meeting frequency, despite a push to include this when the governance regulations were drafted. DY commented that boards could be meeting four times a year, but not addressing any issues or risks. ME added that boards with budget and resources still struggle with scheme manager engagement.
- 7.10. RP suggested that a message be drafted from the SAB to alert schemes to the findings of the TPR report and possibility of cohort work, although this could be a welcome intervention to drive improvement.
- 7.11. DL agreed that the above could be linked to both the TPR and Aon reports and thanked DY for her honest and frank feedback from an FRA perspective. DL asked whether potential breaches are going unrecorded/ unreported, such as where an administrator refers the issue to the scheme manager to assess the possible breach and the scheme manager may not want to risk reputational damage. DL pointed out that the Aon report highlights a low level of breach reporting.
- 7.12. IH stated it was interesting to observe these discussions as an administrator, as administrators also have a role to play in feeding back to boards. . Leicestershire CC hold meetings with scheme managers to flag issues. IH agreed that the scheme manager should be a named individual.
- 7.13. DY asked for a timescale on the FPS commentary. CA confirmed this would be relatively soon. The AGM will also focus on the TPR results; CA hopes to engage high level scheme managers to share their experiences and the importance of this role to the organisation, such as making determinations on pensionable pay, and possibly duplicate this session at the next LGA annual fire conference.
- 7.14. TA suggested that a letter from the chair to scheme managers be enclosed with the commentary, to raise awareness. ME proposed that CFOs be added to the distribution list. BS asked if there is value in offering joint regional governance session. CA confirmed that this is available if required. CA had recently been invited to provide training to CFOs in the NW region, which had been extremely useful.

Action:

- vi. **TA to draft letter to scheme managers to accompany commentary.**
- vii. **CH to provide update at next meeting on LPB engagement tracking and stats.**

7.15. IH suggested that the letter could flag areas to FRAs that they may wish to focus on based on the LGPS cohort work. RP felt that this may be too formal and would be more appropriate as an informal discussion. CA noted that the headings within the commentary were probably useful signposts. DY highlighted that timing would be important as the summary will emphasise issues to focus on, in advance of any dip sampling. DY added that similar areas could be a future focus for HMICFRS under use of resources, as salary and pensions account for such a large proportion of FRA budgets.

8. Outcomes from Aon benchmarking review

8.1. Paper 1 outlined considerations for the committee in respect of the Aon administration and benchmarking review. CA explained that the points raised were similar to those identified by TPR and although the effectiveness of LPBs was not part of Aon's remit, the report had made the following recommendations with reference to the role of boards:

- i. Improved monitoring – encourage administrators to attend and report for LPBs
- ii. Data reviews, collaboration – timely administration reports. Greater involvement of boards, to encourage provision of electronic data and monthly contribution postings.
- iii. Improved relationships and engagement – LPBs to play key role in improving administration standards and signposting resources to stakeholders.
- iv. Improved understanding of breaches – results indicate that breaches are not being widely reported, despite existing guidance. Guidance to be reissued and highlight need for recording as well as reporting breaches, using template.

8.2. CA said that consideration is also being given to the development of a fire pensions qualification or accredited training to improve knowledge and understanding, and formalise the current FPS training which is provided. CA confirmed that the report will be only be published once the SAB have finalised the recommendations and any amendments made as necessary.

8.3. DY noted that Lincolnshire had experienced difficulty in providing cost information for the employer survey, as the County Council operate a shared service which includes pension administration. While there is a view that costs should be reduced, this will be challenging if current expenditure cannot be determined.

8.4. RP commented that the integrity of the scheme is called into question if costs cannot be established. RP suggested that data should be gathered annually to enhance transparency and understanding of the costs of running the scheme, and that cross-subsidisation of the scheme by LGPS must be identified. CA said that the report makes clear the review was a fact-finding exercise in the first instance, and goes on to recommend the development of a data collection template.

- 8.5. CA agreed that the outcomes from the year one surveys have established a starting point and provided evidence for recommendations to be taken forward; there was no intention to benchmark FRAs against each other.
- 8.6. CA added that it has been difficult to benchmark scheme costs due to a lack of suitable comparator, although the report has tried to provide context. There are too many variances with the LGPS and while the Police scheme would be ideal, no cost data is available. CA suggested that further clarification be added to the report to state that costs are not definitive.
- 8.7. AT observed that while there were areas of crossover within the TPR and Aon reports, there were some discrepancies in the results. DY suggested this could be due to different people completing each survey. CA stated that clear instructions on completing the Aon survey were given, which explained that input may be needed from various departments, and attributed this to an absence of senior management oversight which could raise questions over lack of governance.
- 8.8. DY commented that the context of the survey responses to Question 9 in Appendix 4 was unclear and this could be expanded upon. DY said that the results could be useful to evidence poor service from administrators and asked whether there was any indication that in-house administration is more effective than out-sourced. CA responded that the SAB have no authority to stipulate a preferred administrator, however, the report goes some way to showing why the current situation is so challenging.
- 8.9. CA confirmed that the joint meeting of the Administration and Benchmarking and Cost-effectiveness committees on 15 August will discuss the detailed recommendations and report back to the full SAB on actions to be taken.

9. LPB engagement

- 9.1. This item was largely covered by TA under item 6, however, for the benefit of new committee members TA outlined the expectation that committee members will attend LPBs to raise awareness of the SAB and LPB effectiveness committee.
- 9.2. TA has attended a number of meetings in the Eastern region and encouraged members to start arranging visits where possible. This is a standing item on the agenda and CA plans to develop a template presentation to assist those attending to deliver a consistent message (*Action iii*).

10. 2019 work-plan

- 10.1. The items discussed will form the basis of the committee's work-plan for the year:

- i. Consider whether items arising from the outcomes of SAB and TPR surveys demonstrate need for a business case to the Home Office for regulatory change – no longer deemed to be an issue given current difficulty in effecting any legislative change.

- ii. Publication of LPB annual report template – [Nottinghamshire FRS](#).
- iii. Group members to attend LPB meetings and/ or training – standing item.
- iv. Publish commentary on combined survey results – completed via LPB training.
- v. Publish joint board guidance and promote support available to applicants.
- vi. Consider how to engage with LPBs who do not respond to requests for information nor attend training and events.
- vii. Publication of ABS 2018 survey research report.
- viii. Engage with software suppliers on FPS2006 special members and online self-service.
- ix. Revise and publish draft LPB Terms of Reference.
- x. Develop SAB survey of LPBs to be launched in March 2020.
- xi. Develop matrix of LPB performance to benchmark survey results.

10.2. DY asked whether the TPR and Aon recommendations are a new work-plan item and whether LPBs need to be prepared for the next round of surveys. CA clarified that the need for preparation will be added to the end of the FPS commentary. Further to this, CA asked the committee for views on whether the SAB survey of LPBs from 2017 should now be re-run.

10.3. RP stated that the LPGS SAB have recently issued a board survey to monitor development and evidence improvement. RP suggested that a survey would aid engagement, but thought must be given to the questions and timing. DY agreed that it should not be issued at the same time as the TPR survey and scheme return. TA suggested March as a reasonable timeframe to develop and launch the survey.

10.4. AT highlighted the need for consistency in individuals completing surveys. CA added that the LPB should at least have sight of responses and ideally the board chair would complete the survey with the scheme manager.

10.5. BS remarked that the survey must be clear on what is required, with questions that are different from the TPR survey, or authorities may feel that they are duplicating responses. CA noted that the SAB survey will look more closely into which boards are having difficulty in meeting their statutory requirements, and why.

10.6. IH agreed that more scrutiny is required in order to drive improvement and suggested development of a matrix to benchmark LPB performance. CA asked the committee to consider what makes a good board, for discussion at the next meeting.

11. Future meeting dates and venues

- 14 November 2019 (18 Smith Square)

12. AOB

12.1. No items of AOB were raised. The meeting closed at 14:05



Firefighters' Pensions England

Scheme Advisory Board
LPB EFFECTIVENESS COMMITTEE

ACTIONS AND AGREEMENTS

Thursday 14 November 2019

18 Smith Square, Westminster, London SW1P 3HZ

PRESENT

Tristan Ashby (TA)	Chair
Clair Alcock (CA)	LGA
Matt Lamb (ML)	SAB Scheme member representative
Ian Howe (IH)	Technical/ Admin representative (Leics CC)
Alan Tranter (AT)	FRA/ LPB representative (West Midlands)
Becky Smeathers (BS)	FRA/ Finance representative (Nottinghamshire)
Claire Hey (CH)	LGA – Board secretariat (minutes)
Tania Edwards (TE)	TPR
Susan Humphreys (SH)	TPR
Nick Gannon (NG)	TPR
Phil Perry (PP)	Home Office

1. Introductions and apologies

- 1.1. Introductions were made around the room as a number of guests attended the meeting.

2. Chair's welcome

- 2.1. TA welcomed all to the meeting and thanked all for attending.

3. Changes to membership

- 3.1. Matt Lamb has joined the committee to replace Dave Limer as SAB Scheme member representative.

4. Review previous actions (7 August 2019¹)

4.1. The minutes of the previous meeting were agreed.

i. CA to draft factsheet on reporting ABS breaches.

4.2. A factsheet on the six key processes² measured by TPR as part of the annual governance and administration survey was issued with the October FPS bulletin. This includes a section on the reporting of breaches.

ii. CA to develop RAG matrix of board engagement, with a checklist for committee members attending meetings (new action i).

4.3. Action carried forward. Consideration is being given as to how this can best be achieved. No concrete progress has been made so far due to time and resources.

iii. CA to develop short, high-level slide deck and send Go-To Meeting request.

4.4. Presentation based on six key processes (renamed as principles) covered under item 6.

iv. CA to set up meeting of software engagement group in line with option ii.

4.5. An email was sent to software suppliers on 2 September 2019. However, this has now been superseded by the need for software engagement on remedy for transitional protections.

v. CH to create login details for member-restricted area of www.fpsregs.org for committee members and share dates of forthcoming FPOGs.

4.6. Having further considered the confidentiality of material held within the restricted area, log in details will not be provided to committee members. CH explained that the FPOG minutes are the interpretation of the minute taker and not always technically accurate, especially when read out of context. However, members are still welcome to attend meetings. TA has been invited to the next meeting of the North East group.

vi. TA to draft letter to scheme managers to accompany commentary (new action ii).

4.7. Commentary on TPR survey has been produced as discussed as the six key processes factsheet. TA action on writing to FRAs carried forward to determine best method of communication.

vii. CH to provide update at next meeting on LPB engagement tracking and stats.

4.8. To be covered under item 8.

¹ <http://www.fpsboard.org/images/PDF/LPBsub/LBP-minutes-070819.pdf>

² <http://www.fpsregs.org/images/admin/TPR-6-key-processes.v1.pdf>

5. TPR engagement and supervision

- 5.1. Colleagues from the Pensions Regulator (TPR) attended the meeting to discuss their planned engagement work with the FPS. TPR have had oversight of public service schemes since 2015. NG gave a background to the Regulator's current approach which is to be more proactive and develop improved relationships with schemes.
- 5.2. Four FRAs have been selected for supervisory and engagement work. SH emphasised that supervision is not about finding fault, but also examples of good practice that can be shared, finding out what challenges FRAs are facing to help address issues, and evaluating how and why schemes do what they do.
- 5.3. TE added that engagement allows TPR to look at schemes with a fresh pair of eyes to feed back issues on regulation and policy, while trying to avoid enforcement. Each scheme is given a named contact to deal with during the period of engagement.
- 5.4. TA asked how TPR plan to publish examples of good and bad practice. SH explained that only 20 schemes, including three public service, have been evaluated over the last 12 months. The team are being careful to avoid a 'one-size fits all' approach, so it is expected to be at least another six months before anything can be published. All outcomes are anonymous unless then scheme chooses otherwise.
- 5.5. ML said it is pleasing that there are examples of effective schemes evaluated so far, but highlighted that some form of guidance or best practice would be very helpful. NG described the prototype cohort work with 10 LGPS funds last year. A report³ on governance and administration risks in public service pension schemes was published earlier in the year and it should be possible to publish a similar document for FPS.
- 5.6. SH confirmed that the scheme under supervision will receive a dedicated report in PowerPoint highlighting positive and negative findings, however, issues will be raised throughout the process so that there should be no surprises within the report. An anonymised holistic overview report could be created at a later date. TE added that the unpublished report will be TPR's summary and assessment of their findings.
- 5.7. AT commented that TPR will need to overcome politics at board level when engaging with LPBs, and stated that the information provided may not always be an accurate reflection. SH confirmed that TPR are aware of the need to break down potential barriers.

³ <https://www.thepensionsregulator.gov.uk/en/document-library/research-and-analysis/governance-and-administration-risks-in-public-service-pension-schemes-an-engagement-report#pagetop>

- 5.8. IH stated that he had read the report into the LGPS engagement work and asked whether there would be commonality between the LGPS and FPS. NG confirmed that there is commonality between all schemes, noting key themes of engagement with the scheme manager, complexity of frameworks, and record keeping and data. NG added that remedy for transitional protections will also impact on all public service schemes.
- 5.9. IH agreed that the remedy process will be similar for all schemes and asked whether there was anything that could be shared now to assist. NG stated that LGPS funds tend to rely on the Local Authority's processes rather than developing their own and ensuring they are fit for purpose, and this may read across to Fire. NG confirmed that the report into LGPS engagement could be shared to promote best practice. TPR are currently engaging in high volume/low intensity regulatory initiatives to assess what schemes should be doing, this includes emailing all schemes who indicated they have not performed a data review in the last 12 months.
- 5.10. IH raised common and scheme specific data scoring, informing TPR that a drop in scores across FPS is likely as guidance was not issued for year one and has now been received, therefore different items are now being tested. NG explained that TPR are considering a commentary on the range of scores received.
- 5.11. CA highlighted that data scoring guidance for FPS was issued in 2018⁴ and revised for 2019⁵. CA expressed frustration that the guidance did not seem to be widely acknowledged, which would be raised with the relevant software supplier. BS said that Nottinghamshire's scheme specific data score had dropped from 100% to 54% using their provider's data quality service. NG suggested that software suppliers may not be considering the nuances of different schemes and therefore using LG validation for FPS.
- 5.12. BS asked whether the findings from the FPS engagement will feed into national policy, as the complexity of the schemes causes difficulty in effective management. NG agreed that this is likely to become apparent throughout the process. NG added that the specialist knowledge base at TPR is currently quite small, but they are trying to expand this to allow more flexibility in their approach.
- 5.13. CA queried the method of selecting FRAs to engage with, noting that four out of 51 is a very small percentage. There are many different structures of governance and administration, and there is a concern that similar schemes may be chosen, rather than a range. CA asked whether this had been considered and if there is a mechanism for findings to be sense-checked if TPR have no specialist knowledge of the FPS. CA noted that some schemes may welcome supervision and asked whether it could be requested.

⁴ <http://fpsregs.org/images/admin/TPRdatascoring0818.pdf>

⁵ <http://fpsregs.org/images/admin/TPR-data-scoring-2019-clean.pdf>

- 5.14. SH explained that there are different levels of supervision. One to one supervision looked first at the 20 largest schemes, with more to be added later. This considers six criteria and is a permanent, on-going relationship. The next tier is relationship supervision, still based on scheme size as any issues are therefore impacting the maximum number of members. This lasts for 12 to 18 months and looks at scheme management and governance, and systems and processes. Schemes are requested to provide documentary evidence and TPR may ask to attend LPB and administration meetings. After the engagement period, an assessment is made on whether the scheme should remain in supervision or not. Finally, where areas of concern have been identified, TPR may step in. However, it is not yet possible for schemes to request supervision.
- 5.15. CA commented that size of scheme is not reflective of issues, but governance structure is. Some larger FRAs are naturally better as they have more resources. NG agreed this is common across all schemes.
- 5.16. CA asked what the committee will be able to draw from the engagement work to improve effectiveness. TE stated that the findings will be reported to the scheme manager who should share the report with their administrator and LPB. It will be up to the individual FRA to share the details with the LGA and/or committee.
- 5.17. AT reiterated that different governance structures will require different approaches. SH explained that TPR will work with schemes to ensure all parties benefit. The supervisory team members have been selected for their ability to form relationships. SH hoped that the committee could assist TPR in developing the process going forward. CA welcomed this engagement and TPR's willingness to understand the scheme.
- 5.18. TA asked how the committee would know which schemes have been selected in order to obtain the reports and whether TPR could suggest that sharing information with the LGA is good practice. CA was hopeful that schemes would identify themselves and noted that the schemes may not all be in England.
- 5.19. NG said that if schemes are willing to discuss their relationship work with others, it may encourage those not selected to carry out some introspection on their own arrangements. SH added that schemes who have gone through the process have seen value in the outcomes. There was some initial nervousness around whether the work involved would be a burden, but this was not found to be the case.
- 5.20. CA advised TPR to ensure that they deal with the most senior individual available, as there is concern that the scheme manager delegation can fall below the level that is appropriate. SH responded that this would be an immediate red flag.

6. TPR six key processes

6.1. CA demonstrated a short slide deck adapting TPR's six key processes⁶ into principles to approaching governance which can be presented at LPB meetings, as boards often ask how they can add value in assisting the scheme manager.

6.2. The presentation explains that there are 10 different types of FPS member to highlight the scale of membership, and this should be the starting point for addressing any query. The six principles for assisting are:

- I. Understand what the risks are
- II. No conflicts of interest
- III. To be informed and knowledgeable
- IV. Understand the data
- V. Collect the right money at the right time
- VI. What to do when something goes wrong

6.3. A table of TPR survey results since 2015 shows that good progress has been made, however, improvement is still needed. Boards are also asked to consider where there is a process in place, is it robust and being used. Looking at each of the principles in turn, the following issues are discussed.

- I. Understand what the risks are

6.4. Who and what is the board risk register for. Is there an appropriate scheme manager delegation in place and how is it monitored. The top survey risks are detailed to give a steer on what to include on a register, and the importance of regular assessment is highlighted.

- II. No conflicts of interest

6.5. Conflict of interest is not considered to be an issue for public service boards, as all should be familiar with the Nolan principles⁷. The three stages of the procedure are to identify, monitor, and manage.

- III. To be informed and knowledgeable

6.6. The 2018 survey returned inconsistent results on the skills and knowledge, and time and resources available to run the scheme. A low rate of evaluation was also reported. The TPR assessment tool is available to help boards rate their performance and understanding.

⁶ <http://fpsregs.org/images/admin/TPR-6-key-processes.v1.pdf>

⁷ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

IV. Understand the data

6.7. To appropriately prioritise data and highlight that data scoring is not a tick box exercise. There appears to be inconsistency in reporting for surveys, therefore how is data being measured to give value; is the LGA guidance being used and the accuracy weighting used to reflect a more realistic score. Pensions dashboards will drive expectation to online self-service, so data needs to be accurate.

V. Collect the right money at the right time

6.8. Issues with contribution payments for the FPS as a single employer scheme include mid-month taper date changes, delayed taper for IQMP process, FPS 2006 special member direct debits, FPS 1992 contribution holidays, and employer discretion on unpaid absences.

VI. What to do when something goes wrong

6.9. Most FRAs report that processes are in place to record breaches, yet a low number of material breaches are reported to TPR. Consider whether there is appropriate oversight.

6.10. CA asked for feedback on the slides, which are hoped to allow boards to become more effective in their role of assisting. NG stated that he is redrafting the Regulator's codes of practice and these slides fit in with his understanding of the audit and scrutiny role that boards have.

6.11. IH noted that he is uncomfortable with the accuracy weighting from an administrator perspective as there may be different tolerances in place, leading to inconsistency. CA highlighted that there is no requirement to use the spreadsheet for scoring; it could be used internally for analysis and data improvement.

6.12. AT remarked that the presentation sits well with the committee's objectives. CA suggested that some boards are focussing more on having a process in place than the reasons behind it. This should illustrate areas where they can add value, without getting caught up in the technical detail.

6.13. BS commented that data is the most difficult area for boards to understand, especially elected members. CA stressed that this will be particularly relevant for any scheme changes as a result of remedy, in considering what data is needed.

6.14. SH stated that the slides are a good example of a plain English, straightforward tool to provide to stakeholders, adding that they may be helpful to use in TPR's engagement work when published.

7. ABS survey 2019 (Paper 1⁸)

- 7.1. CH talked briefly through the content of paper 1, outlining the background to the annual ABS survey, issues and feedback from previous years, and the intended outcome. CH explained that paper seeks the committee's agreement to the question sets for both an FRA and administrator version of the survey, to be issued at the end of November for a period of around six weeks. Comments were invited from the group.
- 7.2. TA suggested that Q26 be moved to the start of the survey to ask in what capacity it is being completed. NG agreed that Q27 should also be moved, so individuals can immediately see whether it is relevant to them to complete.
- 7.3. TA proposed that Q5 responses are collected using radio buttons to allow selection of more than one option. While there is a 'more than one of the above' option, this would not allow detailed analysis of the reason for late distribution of ABS.
- 7.4. CA asked there is a question on whether pension savings are included on the statement. IH added that this should be expanded to ask about scheme pays and pension sharing deductions, as this would allow clients to push back on software suppliers. These will be added to the administrator survey. BS and IH agreed that Q22 on time spent should be removed from the FRA survey to avoid confusion.
- 7.5. TA asked how authorities can be incentivised to complete the survey and whether non-respondents should be named this year. CA confirmed that those completing are usually named instead, with thanks for their participation. IH commented it should be made clear that administrators of multiple FRAs should complete a survey in respect of each. This will be explicit in the survey instructions.
- 7.6. TE said it is interesting that there are discrepancies in results from different surveys. CA answered that this highlights inconsistency in who is completing requests for information and could indicate lack of oversight. However, survey questions are also open to interpretation. SH added that often surveys are seen as unimportant, which emphasises the need to break down barriers in engagement.
- 7.7. CH stated that the question sets will be amended as discussed and a preview link sent to the committee to test once developed in Survey Monkey.

8. LPB engagement update

- 8.1. CH had taken an action (vii) to provide an update on LPB engagement. In order to present the information in a visually engaging way for possible publication, an infographic highlighting key statistics had been prepared and was circulated to the committee for comment at the meeting.

⁸ <http://www.fpsboard.org/images/PDF/LPBsub/ITEM-7-141119.pdf>

8.2. CA explained that it is a work in progress as the source data may need cleansing and further interrogation; the current statistics do not show any conclusive trends. However, in the meantime, the committee were asked to consider what action can be taken to engage with less involved boards.

8.3. The source data showed that seven FRAs had not taken advantage of the free annual training session offered by LGA. While this was felt by the committee to be inaccurate, as some FRAs had instead attended regional sessions, BS suggested that all boards may not be aware of the offer. This is supported by the training survey results [page 10]⁹. CA commented that boards also may not recognise the value until they attend a session.

8.4. ML recommended that the statistics be checked and verified before approaching boards with the results, as his own local board have been more engaged than the data suggests. CH acknowledged that it would be useful to monitor which FRAs attend regional sessions in order to track more accurately, although there is concern that messages might not then be fed back to the full board.

8.5. CH described that the engagement when split by region is reflective of LGA's experience with the regional fire pension officer groups: the North West is least engaged and the North East appears to be the most engaged. AT commented that boards with an HR colleague as an employer representative are more likely to be involved at a regional level. AT added that LPBs with a dedicated secretariat are more likely to ensure information reaches the relevant people. CA responded that this would be considered part of a scheme's internal controls, and that the monthly bulletin acts as a filter for actions.

Action:

iii. **CH to distribute infographic with minutes.**

iv. **CA/ CH to review source data and provide further update at March meeting.**

9. 2019 work-plan

9.1. The items discussed will form the basis of the committee's work-plan for the year:

- i. Consider whether items arising from the outcomes of SAB and TPR surveys demonstrate need for a business case to the Home Office for regulatory change – no longer deemed to be an issue given current difficulty in effecting any legislative change.
- ii. Publication of LPB annual report template – [Nottinghamshire FRS](#).
- iii. Committee members to attend LPB meetings and/ or training – standing item.
- iv. Publish commentary on combined survey results – completed via LPB training.

⁹ <http://www.fpsboard.org/images/PDF/Surveys/Training2019.pdf>

- v. Publish joint board guidance and promote support available to applicants.
- vi. Consider how to engage with LPBs who do not respond to requests for information nor attend training and events – standing item.
- vii. Publication of ABS 2018 survey research report.
- viii. Engage with software suppliers on FPS2006 special members and online self-service. Replaced by new item xii.
- ix. Revise and publish draft LPB Terms of Reference.
- x. Develop SAB survey of LPBs to be launched in March 2020.
- xi. Develop matrix of LPB performance to benchmark survey results.
- xii. Engage with software suppliers on Sargeant remedy.
- xiii. Consider peer review framework for LPBs

9.2. TA explained for new members that item iii. is a standing item for the committee to attend LPB meetings in an observational capacity and provide guidance on best practice. TA has attended the majority of boards in the Eastern region and feedback on both sides has been positive.

9.3. CA confirmed that there is nothing yet that can be shared in relation to item xii. and the case management preliminary hearing will take place on 18 December 2019. An email will be sent shortly to engage a technical working group across Fire and Police stakeholders to look at software design, resources, costs, and timescales for implementing remedy as determined by the Employment Tribunal (ET).

9.4. CA explained that while there is a legal process for claimants, remedy for non-claimants must be equal and the SAB will begin consulting on this in January.

9.5. The six principles guidance will be used to develop a matrix under item xi. The committee were asked for views on what makes a good board, to feed into this process.

9.6. AT suggested defined roles and regular meetings. TA mentioned transparency, having board communications online and publicly available, and an openness and willingness to engage. IH added that a good maker is accepting responsibility, and understanding where this lies in relation to the FRA or administrator.

9.7. BS stated that the right people attending is important, as is knowledge and training. TA said that a good board will understand the value of governance. IH commented that the board should also understand that they can influence outcomes for firefighters, such as member communications. IH added that the LGPS engagement report is a useful source of reference for boards.

Action:

- v. CH to add engagement report to www.fpsboard.org and www.fpsregs.org.

9.8. TE stated from a TPR point of view there would be appropriate cross-referencing, clear minutes and decision making, assessment of knowledge and skills, a Training Needs Analysis (TNA) and support to get training. In terms of resourcing, a good board would consider specialist skills and succession planning. NG added diversity of representation, and SH mentioned regular effectiveness assessments.

9.9. AT described that his local board had experienced a churn of members and following a TNA, new joiners were asked to undertake the TPR public service toolkit¹⁰ modules. This was found to be an effective way to bring members up to a reasonable level of understanding and should be promoted to boards. NG explained that TPR are consulting on the toolkit function with a view to linking it more closely to the revised code of practice to offer personalised signposting.

9.10. CA asked whether there is an appetite to provide boards with constructive feedback. AT suggested that FRAs may respond more positively to peer review and sharing of ideas with colleagues. TA requested that this be added to the work-plan (item xiii) to consider a framework. Following the meeting, AT has since provided some further thoughts and offered to lead on a project, subject to SAB approval.

10. Future meeting dates and venues

- 5 March 2020 (West Midlands Fire Service)

10.1. TPR will be invited to the next available meeting of the committee after the results of the 2019 governance and administration survey are published.

11. AOB

11.1. No items of AOB were raised. The meeting closed at 13:45.

¹⁰ <https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/understanding-your-role/learn-about-managing-public-service-schemes>

ACTIONS AND AGREEMENTS

Thursday 15 August 2019

18 Smith Square, Westminster, London SW1P 3HZ

PRESENT

Des Prichard (DP)	Chair
Malcolm Eastwood (ME)	Scheme Advisory Board chair
Claire Neale (CN)	FRA representative (Hampshire)
Jonathan Hurford-Potter (JHP)	FRA/ HR representative (Hampshire)
Vicky Jenks (VLJ)	Technical/ Admin rep (Shropshire PF) (dial-in)
Claire Alcock (CA)	LGA
Helen Scargill (HS)	Technical/ Admin rep (WYPF)
Liz Mowl (LM)	FRA/ HR representative (Norfolk)
Alison Kilpatrick (AK)	FRA/ Finance representative (Kent)
Cllr Roger Phillips (RP)	SAB Scheme employer representative
Glyn Morgan (GM)	SAB Scheme member representative
John Weston (JW)	LPB representative (SYFRS)
Claire Hey (CH)	LGA – Board secretariat (minutes)

1. Introductions and apologies

- 1.1. Apologies were received from Sean Starbuck, Martin Reohorn, and Bob Walker.

2. Chair's welcome

- 2.1. DP stated that the joint meeting of the committees had been convened to consider in full the recommendations made by Aon in the review of scheme administration and cost. This action was remitted to the committees by the SAB at their meeting in June.
- 2.2. DP confirmed that Bob Walker has requested to step down from the Administration and Benchmarking committee and a new LPB representative will be sought.

3. Aon report and recommendations (Paper 1) / 4. Agreement of actions

- 3.1. CA highlighted that the purpose of commissioning the review was firstly to establish the cost of scheme administration, without benchmarking FRAs against each other, and secondly to provide evidence of the complexity of administering the scheme and how this impacts on effectiveness.

COSTS

- 3.2. There was considerable difficulty in establishing a true cost as not all FRAs were able to provide cost data, indicating a possible lack of senior management team oversight. CA asked the committee to consider whether there would be value in collecting cost data on an ongoing basis and how FPS could be benchmarked against other schemes, given that there is no immediate comparator. CA said that this should be accepted in year one and addressed in future iterations.
- 3.3. In terms of effectiveness, CA stated that the outcomes of the Aon report would be useful to set work-plans for the committees.
- 3.4. DP noted that it was disappointing that a realistic cost of administration could not be ascertained. DP acknowledged that there would be complexities in collecting the data, but it was not unreasonable to ask. ME highlighted the different size, scale, and governance structure of FRAs as affecting their ability to respond and that the surveys may not have been completed by the most appropriate person.
- 3.5. RP commented that the review relates to the integrity of the scheme and questions must be asked, regardless of the complexity. RP confirmed that the results have provided a useful baseline and that data collection needs to be an annual exercise in order to establish discipline. It is to be expected that results will become more accurate year on year, acknowledging that the first two or three will not be perfect. However, scheme costs need to be visible and decisions evidence based.
- 3.6. JHP remarked that all FRAs should be able to provide at least a ball-park cost and agreed that the surveys should be run again, requesting costings and the assumptions used to obtain them if estimated. These cumulative exercises could be used to provide guidance in the first instance and finally benchmark. JW suggested the development of a template with instructions for completion.
- 3.7. AK said it would be useful to collect data going forward, although there must be clarity on what is required, how it will be gathered, and what it means, as FRAs will need to make apportionments. CA explained that the surveys did attempt to break costs down in different areas, such as staffing, administration, legal, and special projects. However, the lack of data provided indicates that the wrong person completed the survey and a lack of senior oversight. CA asked whether there was a role for the Fire Finance Network (FFN) in developing a future data set.
- 3.8. AK agreed to assist with this work and take forward with the FFN as it would be helpful for FRAs to benchmark their own costs. CA noted it would also be useful to find out how many of the finance leads were approached to provide costs.

- 3.9. While the majority of the committee supported the recommendation to collect data on an annual basis, CA asked members to consider whether this represents value for money as the costs involved are not likely to be significantly less than the initial project.
- 3.10. JHP queried whether the full surveys would need to be re-run, or if it would be possible to pick out those areas which would provide the most value. ME suggested that the cost may reduce proportionately in future years and noted that the 2018-19 budget has already been submitted.
- 3.11. CA stressed that a procurement exercise would need to be undertaken with the aim of awarding a five year contract, so the committee should not speculate too closely on costs at this stage. Any budget discussions will be undertaken by the SAB's budget committee¹. CA added that as scheme costs are likely to increase as a result of future reform, an annual exercise would be a useful tool to evidence that government decisions affect administration costs.
- 3.12. GM commented that data should be collected again as the SAB must act on the results of the initial project to fulfil its responsibilities. RP highlighted that the responsible minister is likely to want to know the current scheme costs and future implications of reform costs. RP suggested that capacity is built into the SAB budget to collect data on an annual basis. ME confirmed that it is within the SAB chair's remit to reduce scheme costs, but this is not possible without first establishing a baseline.
- 3.13. AK was comfortable that sufficient data had been collected in relation to the effectiveness of scheme administration, therefore consideration should be given to how best to collect and analyse cost data where there are gaps. This should include what is going to be done with the data, and whether different elements will be collected at different intervals. CA agreed that there were no unexpected outcomes on effectiveness, yet it had not been possible to attain clarity where it was needed around scheme cost.
- 3.14. GM proposed development of a suite of KPIs with finance forming part of this package, noting that definitions and robust guidance would be needed. DP summarised that all members were in agreement with recommendation 14.1 and asked for clarification on which data elements should be collected; costs or all data.
- 3.15. HS said that a dedicated cost survey should be circulated in order to narrow responses. JHP added that the responses should be signed off by a finance director or the CFO. DP stressed that LPB and CFO buy-in is needed.
- 3.16. CA asked for views on the best time to issue a survey on cost data. AK recommended to avoid year end, and suggested September or October when previous year accounts have been audited and FRAs are starting to set the next budget.

¹ <http://www.fpsboard.org/images/PDF/Meetings/30112016/Minutes30112016.pdf> [Item 5]

- 3.17. LM queried whether work on survey questions could be progressed through the regional FPOGs. HS said that this could be a useful forum to check understanding, although meetings may not fit in with the required timescales. CA noted that regional groups may not be able to advise on cost issues. However, on engagement, the current surveys were promoted through various stakeholder groups, forums, and platforms. It is likely that a further exercise could not be carried out until October 2020, although work could be done in the interim with AK through the FFN.
- 3.18. RP stated that if schemes do not engage, this should be publicised. The SAB is a statutory body and requests for information should be complied with. ME highlighted that isolating the request to information around costs should increase engagement and help to target the correct individuals. GM added that publication of the report may drive engagement. CA confirmed that the SAB have taken the decision this year not to 'name and shame' authorities, and this information will be removed from the final report.
- 3.19. CA confirmed that collection of data on an annual basis would be taken forward as an action to consider the most effective way of progressing. In terms of timescale, this will be taken to the FFN conference in October for the FFN to work with the Secretariat outside of this forum. JHP recommended that collection take place later this year to maintain momentum. RP agreed that it would be unfortunate if there was no progress until 2020, however, there is a need to be practical and perhaps do something on a smaller scale this year. JW pointed out that the deadline for the original surveys had been extended on two occasions due to lack of response.
- 3.20. DP summarised that the action at 14.1 had been agreed and that a report would be submitted to the SAB electronically for approval. JW asked whether the FFN could consider establishing a cost per member in comparison against an LGPS fund of similar size. CA confirmed that the aim of the exercise was not to benchmark FRAs against each other.

EFFECTIVENESS

- 3.21. GM expressed surprise that discretions were considered to be complex and asked if policies are not in place. CA confirmed that this relates to the scheme manager role and ownership of the scheme. Resources are in place, but there is a need to raise awareness and make sure they are being used. The SAB have been clear that they cannot recommend an optimum number of administrators, however, to improve professionalism and standards they could consider development of an FPS qualification or form of accreditation, which could also apply to those working with FRAs, such as IQMPS.
- 3.22. HS remarked that the regulations are fairly straightforward once the relevant scheme and type of member have been established. The complexity arises due to the number of schemes and variances, also there is a lack of understanding and knowledge. VLJ explained that a classic example of this is the introduction of FPS 2006 special members; the stand-alone schemes are not necessarily complicated, but the hybrid is. Consideration should be given on how best to introduce new legislation to manage administration and software costs.

- 3.23. CN commented that complexity is increased as scheme membership is comparatively small and cases such as ill-health occur relatively infrequently. VLJ agreed that knowledge builds up gradually and that turnover of staff therefore exacerbates the complexity, adding that the provision of a qualification would make a career in FPS more attractive and assist in getting key personnel in place.
- 3.24. AK highlighted that there is a lack of resilience in staffing and that the amount of case law and level of detail can add further challenge. Regulations are often open to interpretation and require a legal view.
- 3.25. VLJ added that individuals are making decisions on issues that are not their area of expertise and pensions is not seen as high priority by FRAs. The committee had an extended discussion around decision making with regard to pensionable pay. CA highlighted that resources were available and reminded the group of the need to focus on the framework rather than individual issues.
- 3.26. CA explained that a working group will be convened to consider the full list of discretions (24.1.1) to see which can be delegated to the administrator. The group can then provide targeted resources to assist FRAs with the decision making process on the remainder. HS offered to provide an example policy to the working group.
- 3.27. GM stated that it is unlikely that significant regulatory change can be achieved at this time due to other parliamentary pressures, so there is no further action for the SAB in this regard. However, the Board can provide advice and guidance. GM confirmed that the monthly query log is a useful resource.
- 3.28. All supported recommendation 24.1.1. A date will be identified for the first meeting of the working group, to be comprised of administrators and FRAs. Members will be sought from beyond the committee, but will include committee representation.
- 3.29. CA explained that recommendation 24.1.2 intends to draw out that there is no consistent guidance on the line between administrator and FRA decision making and also links back to key person risk. There is a need to provide clarity to avoid an administrator inadvertently incurring liability for legal challenges. It was acknowledged that development of a qualification would be a considerable challenge, in terms of cost and time resource. The general principle is to evidence that there is a desire to support administrators.
- 3.30. DP suggested contacting Ann Millington who deals with qualifications for FRS staff through her role with NFCC. CA clarified that this would be a qualification for administration staff, similar to that offered for LGPS colleagues, to help individuals to become FPS experts and provide assurance to FRAs on administration standards.

- 3.31. GM supported the recommendation in principle. CN added that it would be welcomed by the administration community. CA explained that while the SAB cannot recommend a reduction to the 19 administrators who all work in different ways, this would be a means of introducing consistency and offering support. CA outlined various options which included getting existing training CPD accredited in the short-term, and in the longer term speaking to colleagues at the LGA about CIPFA, or approaching the Chartered Institute of Payroll Professionals (CIPP) to include an FPS module on a wider qualification. These qualifications would not fall within the levy budget and would be chargeable to delegates as considerable resource would be required.
- 3.32. LM suggested that the qualification could be linked to career-grade progression. VLJ agreed that recruitment and retention of staff would be improved. CA proposed speaking to Ann Millington to establish what is offered in-house to staff in audit, HR, and finance. AK remarked that responsibility for the scheme does not rest in a single department which causes difficulty. Professional training would clarify internal responsibilities and what should be referred to the administrator.
- 3.33. CA highlighted the lack of consistency in understanding who the scheme manager role is delegated to (24.1.3). A potential solution is for each FRA to delegate to a central employer body to act as scheme manager for all authorities. CA acknowledged that this would be a discussion for the wider SAB, and for the time being, to recognise that inconsistency exists and provide more guidance on management of the delegation. HS stressed that a lack of understanding and ownership of the scheme manager role applies to some, not all, FRAs.
- 3.34. CA confirmed that a working group would be formed to consider measures of good performance to improve monitoring at a local and national level (24.2.1). The group will hold an initial brainstorming session and follow up by email. It was agreed to add this as the final AGM workshop, which will be facilitated by HS, as an opportunity to engage with a wide range of stakeholders.
- 3.35. HS suggested that monitoring should include KPIs for internal measures as well as administration standards. CA explained that the workshop will be important to get views from stakeholders rather than being driven by the LGA, and measures should include standards for FRAs providing accurate and timely data. This is also not a role for the pension board as the scheme manager should be reporting performance to the board.
- 3.36. CA said there was no particular recommendation for the committee to consider under 'Engagement and Communication' (24.3). However, to note that resources are available and work is progressing in several areas. These include a national member website to provide consistent information to members and an online glossary to standardise how documents are worded, which is currently presenting some technical difficulty.

- 3.37. On technology, the LPB effectiveness committee have taken an action to set up a working group with the software suppliers, comprising the three committee chairs, SAB chair, CLASS P&F user group chair, and technical group chair. The inclusion of named roles will build an effective framework with existing links to both providers.
- 3.38. On a collaborative approach to data (25), CA highlighted the following work in progress: procurement is underway for a data improvement plan; the annual data conference provides a platform to discuss good data practice; data scoring guidance will be reviewed for the 2019 TPR scheme return. As has been discussed previously, monthly data postings drives improvement through more frequent reconciliation, therefore CA asked whether the committee could now make a recommendation to the SAB on the basis that it is becoming more common in public service schemes.
- 3.39. RP remarked that monthly postings lead to more accurate data and links back to routine and discipline. However, the wording of the recommendation should be considered, as the main requirement is for quality data. DP agreed that the principle sounded reasonable and could be recommended as good practice. DP asked whether there would be value in increasing frequency to quarterly and then monthly. ME added that breaches are more readily identified.
- 3.40. HS confirmed that the requirement to provide monthly data is built into the WYPF contract as a term of procuring administration services. Data is transferred securely with in-built checks. JHP supported the requirement, noting that HMRC run RTI on a monthly basis. CN highlighted that setting up any new procedure or system is a drain on resources, although it may offer efficiencies once in place. Hampshire have an annual process in place that works well and the few errors are quickly resolved.
- 3.41. AK said the consideration should be whether the implementation cost is justified by the benefit to service improvement and what difference is there between monthly and annual postings. HS explained that the WYPF system reports starters, leavers, and opt outs. It highlights drops in pay relating to absence, and also actions address changes and rank updates. Tolerance levels are built in to pick up pay variances. CN commented that these changes are done ad-hoc at Hampshire without issue, although there is likely to be benefit for a poorly performing FRA or an administrator with multiple clients.
- 3.42. CA stated that there would be further potential benefit for sites offering online member self-service, as members would see their benefits increasing every month in real time. However, there is a risk v benefit conversation to be had and CA suggested that the recommendation as good practice could be built into the administration strategy (26) to ensure agreement on both sides. AK suggested the inclusion of an FRA case study where monthly postings have been successfully implemented and improvements can be evidenced.
- 3.43. The recommendation for a pension administration strategy (26) was agreed at the previous meeting of the Administration and Benchmarking committee. DP added that the AGM workshop on national performance monitoring will feed into the draft document, which will be shared at the next meeting in October.

3.44. CA observed that publication of the Aon report will encourage greater engagement (27) and enable wider conversations with stakeholders. Approval will be needed from the SAB and will be sought by email. Once published, a report will be issued on behalf of the SAB focusing on recommendations and actions. All agreed to this action.

3.45. To reduce key person risk (28), CA confirmed that the LGA will provide continuing support and a central resource base.

3.46. Information is already in place to promote better understanding and recording of breaches (29). This guidance will be re-publicised. HS suggested the inclusion of examples to demonstrate practical assessment of breach materiality using TPR's RAG matrix. CA responded that this is included in the verbal training, as the aim is to provide considerations rather than instructions.

3.47. However, it has been made clear in the TPR survey commentary that FPS breaches are not being recorded. CN suggested that authorities may not be clear on who should be reporting breaches. RP commented that TPR are likely to focus on fire schemes in the future and that the SAB should be proactive in forewarning authorities.

5. Future meeting dates and venues

- 24 October 2019 (18 Smith Square)
- 20 February 2020 (18 Smith Square)

6. AOB

6.1. There were no items of AOB. The meeting closed at 14:00.



ACTIONS AND AGREEMENTS

Thursday 13 June 2019

18 Smith Square, Westminster, London SW1P 3HZ

PRESENT

Malcolm Eastwood	Chair
Cllr Roger Phillips	Scheme Employer Representative (LGA)
Cllr Roger Price	Scheme Employer Representative (LGA)
Roger Hirst	Scheme Employer Representative (LGA)
Cllr Nick Chard	Scheme Employer Representative (LGA)
Cllr Nikki Hennessy	Scheme Employer Representative (LGA)
Des Prichard	Scheme Member Representative (FLA)
Dave Limer	Scheme Member Representative (FBU)
Sean Starbuck	Scheme Member Representative (FBU)
Tristan Ashby	Scheme Member Representative (FRSA)
Glyn Morgan	Scheme Member Representative (FOA)
Matt Lamb	Scheme Member Representative (FBU)
Jane Marshall	Legal Adviser
Helen Scargill	Technical Adviser
Angela Chadha	Home Office
Amar Pannu	Home Office
Anthony Mooney	Home Office
Claire McGow	SPPA (observer)
Clare Moffat	SPPA (observer)
Craig Payne	Aon
Alison Murray	Aon
Clair Alcock	LGA – Board secretariat
Claire Hey	LGA – Board secretariat (Minutes)

1. Apologies

1.1 Apologies were received from Fiona Twycross AM, Cllr Ian Stephens, and Brian Hooper.

2. Changes to membership

2.1 Malcolm Eastwood (ME) introduced the Home Office attendees to the meeting and welcomed two new employer representatives to the Board: Cllr Nikki Hennessy and Roger Hirst.

Scheme Advisory Board Secretariat

18 Smith Square, Westminster, London SW1P 3HZ T 020 7664 3189/ 020 7664 3205 E bluelight.pensions@local.gov.uk

3. Conflict of interest

3.1 All Board members completed a standard conflict of interest form. No interests were declared.

4. Minutes from previous meeting

4.1 The minutes of the meeting held on 14 March 2019¹ were agreed as an accurate record.

5. Chair's update

5.1 Malcolm Eastwood (ME) informed the group of events attended in his capacity as chair of the SAB since the last meeting:

- LGA data seminar
- LGA Joint Fire and Police governance event
- TPR stakeholder group
- Administration and Benchmarking committee
- DWP pension dashboard roundtable event

6. Administration and Benchmarking report and discussion

6.1 ME welcomed Aon to the meeting to present their initial findings in the administration and benchmarking review. The draft report was issued to all members on a confidential basis prior to the meeting.

6.2 Alison Murray (AM) explained that Aon had been asked to look at the cost and effectiveness of the FPS taking into account the views of all stakeholders: members, administrators, and employers (FRAs). Three surveys were issued, and the responses analysed to answer four key questions, which are discussed in turn below.

- *Do members receive a good service and are the right benefits paid at the right time?*

6.3 Craig Payne (CP) stated that the first question considered what good service looks like. As a minimum, this is legal requirements being met. The 4,000 member survey responses received indicate that benefits are generally paid on time, with the exception of survivor benefits. CP highlighted that the member response rate was higher than expected, and that a hundred percent response was received from administrators and employers, although not all employers provided all information, especially around costs.

¹ <http://www.fpsboard.org/images/PDF/Meetings/14032019/Minutes140319.pdf>

- 6.4 The employer and administrator survey results showed that a low number of complaints were reported officially, this was also confirmed by the TPR governance and admin survey results. However, this was not reflected by members, who were not always satisfied with the service and communications received. 64% of administrators do not offer an online self-service facility, Aon are working to quantify this in terms of membership as the 19 administrators vary in size and scale. Firefighters communicate nationally which has highlighted inconsistencies in service. LGA held a recent data conference to drive engagement with electronic communications; the dashboard project will also increase member expectation.
- 6.5 While it is evident that FRAs had challenges in providing data for the survey, the flow of data between administrators and FRAs is better than expected. Overall, service is quite good but could be improved, especially around online provision.
- 6.6 Sean Starbuck (SS) asked whether there was any indication what Internal Dispute Resolution Procedure (IDRP) complaints were received in relation to, for example Annual Benefit Statements (ABS), and how many were escalated from stage one to stage two. CP noted that this was not considered within the scope of the survey this year. AM added that ABS would be included under breaches rather than IDRPs.
- 6.7 Cllr Nikki Hennessy (NH) suggested the use of numbers rather than percentages when referring to respondents. AM explained that as not all respondents answered all questions, a denominator would still be needed. Des Prichard (DP) added that the percentage can be redundant as it doesn't take into account the size or membership of the FRA/ administrator.
- 6.8 CP highlighted that the identity of respondents needs to be kept anonymous, and that numbers may identify an authority by size. AM added that the surveys had been completed on the basis that responses are confidential.
- *What is the administration cost per member?*
- 6.9 AM explained that the basic cost derived per member is included in the executive summary with a full breakdown of costs at appendix 1. Most questions relating to costs were directed to the FRAs and this proved the most challenging to establish. Initially the cost was calculated only on active members, then split out across active, deferreds and pensioners based on GAD data at 2016. Aon cannot guarantee that the data provided is complete, so the average cost is the total divided by the number of FRAs submitting cost information.
- 6.10 Only two authorities are administered genuinely in-house, therefore 43 external administration cost responses were expected; 35 were received. The discrepancy could relate to County Councils, which consider administration services to be provided in-house. Uncertainty also appears to exist in FRAs around software costs and how these are charged, as the answers received were not consistent. Nevertheless, the analysis shows that broadly, the larger the FRA, the lower the cost per member.

- 6.11 The costs within the executive summary are considered to be day-to-day running costs. Charges for special projects were requested separately and provided in around one third of cases. The average additional cost of running special projects is material in terms of scheme cost, representing over a 25% increase on the scheme cost. However there is no evidence of why that is, AM queried whether the unexpected time and cost implications of special projects could be mitigated by the recommendation to reduce complexity in the scheme by reviewing scheme changes and structure.
- 6.12 AM asked the Board for their views on the costings in relation to other schemes, bearing in mind the difficulty in finding a suitable comparator. The Police scheme is closest in structure, but no costs are available. LGPS is cheaper, however includes investment costs and could exclude elements which are relevant for FPS.
- 6.13 Cllr Roger Phillips (RPH) confirmed that the LGPS is significantly lower cost than other schemes, adding that FPS must be benchmarked against other schemes in order to identify how to reduce costs and improve efficiency. Roger Hirst (RH) commented that the main difference is the funded status of LGPS, so costs are met out of the fund. A more appropriate comparison would be the Civil Service or Police schemes. RH suggested contacting the PCC Treasury Society to obtain details.
- 6.14 SS expressed concern about the number of FRAs that were unable to provide costs for such an important piece of work and asked if any reason was given. Clair Alcock (CA) agreed it was a concern and suggested that the survey may have not been completed by the most appropriate personnel at an authority, who wouldn't have had access to information, nor the senior management team had sight of the responses, so it was difficult to surmise whether the costs really were not known by the FRA.
- 6.15 DP suggested that staffing costs are difficult to quantify for smaller organisations where pension responsibilities form a small part of wider roles. However, cost data is certainly not as robust as would have been liked. Glyn Morgan (GM) noted that data has long been an issue for FRAs.
- 6.16 SS proposed caution when comparing to other schemes, depending on the completeness and accuracy of their cost data. ME stated that improvement is the main driver of the exercise; any comparisons would be indicative only. DP suggested that results could be drilled down to benchmark FRAs of similar size. ME reminded the meeting that further analysis would be billed at time-cost so the board should be mindful that any additional analysis would need to provide further added value to the project.
- 6.17 AM agreed that the Board should be cautious in drawing conclusions from comparisons as the survey is a starting point. AM asked for views on naming those FRAs who had not provided full responses, given that some authorities spent considerable time and effort on providing information and this should be acknowledged. Also, how engagement could be improved with authorities who provided minimal data, RPH suggested that those FRAs should not be named but an informal conversation should be had with them to feedback concerns that there was missing data.

6.18 Taking on board the comments and questions from AM, the board broke into a general discussion reflecting on the initial observations of the survey report; Cllr Nick Chard (NC) queried whether a reduction in number of administrators would be beneficial, taking into account the complexity of the scheme and economies of scale. GM asked whether there is an optimum size of administering organisation. Helen Scargill (HS) added that WYPF clients are invoiced for administration services so should have been able to provide costings. This suggests that the survey was not completed by the best person at each FRA and could indicate a wider problem with management of the scheme. ME noted the different governance structures in place potentially affected resourcing and the ability to provide responses.

6.19 ME referred back to DP as chair of the Administration & Benchmarking committee. DP summarised that the response rate was high, yet the quality of data is questionable. The Board should now consider the recommendations set out in the report and whether the evidence points toward reducing the number of administrators. The highest number of FRAs administered by a single organisation is 14. Smaller organisations have less opportunity to gain knowledge and skills. The report indicates layers of complexity and increasing costs in relation to special projects, and future uncertainty over scheme changes could lead to a resource challenge.

- *What themes emerge from the evidence?*

6.20 CP took the meeting through the key themes emerging from the analysis.

Complexity

6.21 This was a feature of all surveys, with 73% of administrators scoring the schemes as complex or very complex. There is some uncertainty around what was considered specifically to be complex, outside of local decision making and discretions.

Relationships – interaction and perception

6.22 Relationships are quite good and working well, which is a positive outcome. Any change of administrator appears to be due primarily to end of contract, not a breakdown in working relationship.

Reporting

6.23 A large percentage of administrators do not report back to the Local Pension Board (LPB). Resources and training are available to LPBs from the LGA. There is a variance in frequency of reports from the administrator to the FRA.

Data

6.24 In general, timeliness is good and there is a high satisfaction with quality, although one third of member responses indicated dissatisfaction with responses to queries. However, it is perceived that FPS members have greater demand than members of other schemes. The main problem for FRAs is extracting data from systems.

Engagement

6.25 Concerningly, members were not always aware of their scheme administrator and also indicated a lack of understanding of scheme benefits. A high proportion of those responding are pensioner members. SS expressed surprise at this; RPH added that FPS members are generally more knowledgeable than LGPS members. GM noted that transition has caused a reduction in understanding. HS confirmed this, yet take-up of presentations offered by WYPF is low. A national member website is going to be developed by the LGA.

Breaches

6.26 The number of reported breaches is low compared to TPR survey outcomes. It is important to remember that breaches are not only in relation to ABS and need to cover all legal obligations. ME stated that TPR have noted a lack of breach reporting.

- *Could anything be done differently or better?*

6.27 The Board moved on to discuss the recommendations, the first of which challenges the effectiveness of the current structure of 45 scheme managers across 19 administrators as a longer term consideration. SS remarked that it is too early to consider, as scheme managers do not yet fully understand their roles and responsibilities. DP commented that the Fire Authority is defined in law as the scheme manager, therefore would a reduction in scheme managers mean a reduction in Authorities. CA confirmed it would simply be a function of the Fire Authority that could be merged or shared.

6.28 RPH said it is concerning that FRAs are not able to make decisions. Reports need to be made to LPBs as it appears that boards are not being taken seriously. RPH agreed that the recommendations are sound and it would be wise to start challenging smaller FRAs on improving costs and consistency. National communications will assist member engagement. RPH thanked Aon for a full and comprehensive report.

6.29 Cllr Roger Price (RPR) suggested that economy of scale could be achieved by amalgamating administration. Hampshire have implemented this by linking Police, Fire and LG. However, to reverse this at a later date would not be as simple. SS commented that a drive for collaboration may be financially sound, but member engagement must also be considered. SS noted an error in contribution rates at appendix 5, which has since been amended.

6.30 RH queried whether 45 individual LPBs adds to the inefficiency of the scheme and whether boards could be aligned with administration groupings. RPH highlighted the need to determine whether LBPs are performing well and to challenge them on administration costs. The SAB role is to encourage and support the flow of information to boards. SS stated that a clear distinction is needed between administration and LPBs, adding that a positive outcome from the Hutton report was improved governance requirements.

6.31 RPR noted that the report looks at the cost of the scheme nationally rather than per administrator to benchmark cost and service and asked whether further analysis could be undertaken to challenge those not performing. Tristan Ashby (TA) proposed the provision of support and guidance through the SAB committees instead of recommending that scheme manager numbers are reduced; the joint LPB guidance deals with board mergers where administration is shared.

6.32 DP commented that pension administration is a professional service to be tendered and there is not sufficient evidence within the report to recommend a particular administrator to FRAs, although the evidence does point towards economy of scale. AM noted that a list of outsourced services is provided at appendix 2 and cautioned against the Board mandating a particular approach, as FRAs may not have considered which elements are included. AM flagged a facility on the TPR website which allows trustees to complete a form to establish costs, this may be more suitable for authorities wishing to benchmark.

6.33 The second recommendation is a project to simplify elements of the scheme rules. AM highlighted that where requests had been made for information or guidance, much of it is already available. Therefore a challenge for the SAB is to encourage FRAs to use existing resources. HS agreed, explaining as an example that a template discretions policy is available, yet 95% of available discretions are never used. CA confirmed that LGA could provide more guidance, but this would not address the problems at source.

6.34 The report recommends improved monitoring and reporting, and communication of outcomes. CP explained that this could include ensuring reports are made to the FRA/ LPB in a timely manner. AM added that while governance is outside of scope for the report, there seems to be a lack of use of boards; a report on administration performance at every board meeting would highlight any discrepancies and variances. HS confirmed that every WYPF-administered board gets a report, however, the actions taken forward vary.

6.35 RH queried who is responsible for ensuring the LPB is effective. CA confirmed this is the scheme manager, which means that the scheme manager also needs to be effective. The LPB role is to assist the scheme manager, and also hold them to account.

6.36 CP summarised some of the other recommendations including:-

- A pension administration strategy to be progressed by the Administration & Benchmarking committee. A national member website is planned through the Fire Communications Working Group to drive member engagement and communications.
- Data gathering exercise to be undertaken on a regular basis to improve benchmarking and FRA engagement.
- Identification of key person risk. Clear business plans put in place to share and expand knowledge.
- Improvement of breach recording and reporting process, although out of scope of the report.

6.37 The survey asked for views on the national support offered. AM confirmed that LGA was viewed as good or very good; other bodies were considered less favourably. Where guidance and support is used, it is highly valued, so expanding awareness of available resources is key.

6.38 CA stated that there still appears to be confusion around the legal status of administrators, the administrator is appointed by the scheme manager to provide a service and they have no legal responsibility for the scheme. However as this is a different position to the LGPS, where the administering authority is also the scheme manager, this causes some misunderstandings from both the administrators and the scheme manager. Therefore as it is the scheme manager, not the administrator who needs to make decisions and ensure the scheme is well managed it does not necessarily follow that less administrators would make any difference on the effectiveness of the management of the scheme which is still the responsibility of the 45 authorities.

6.39 HS as technical adviser to the board with over 30 years of administration experience and administrator for over 14 FRAs was asked to comment on the benefits of one administrator serving a larger proportion of scheme managers. HS confirmed that although there were some benefits to be gained, such as consistency and sharing of best practice between clients, the administrator still had separate contracts and acted on the instruction of each scheme manager, as it would still remain the responsibility of each scheme manager to make local decisions this would potentially require the administrator to act on 14 different instructions.

6.40 AM asked the Board to consider whether the FRA needs to be the scheme manager if they find making decisions on discretions difficult, as an alternative to reducing the number of scheme managers. HS suggested a change to legislation which would include a default position on discretions with the ability to FRAs to apply local decisions. CP confirmed that this could form part of a simplification project. CA agreed, explaining that some discretions could sit with the administrator, some with the FRA, and some could be removed.

6.41 The Board discussed how the recommendations would be taken forward. It was agreed that the Aon report be referred back to the Administration & Benchmarking committee to develop an action plan to present to the SAB. The employer representatives are to nominate a replacement for Cllr John Bell on the committee.

6.42 SS was comfortable with most of the recommendations, but wished to look at data collaboration in more detail. RPH supported recommendations around simplification, collaboration, challenging administration costs, and improving communication with LPBs. GM proposed looking at a standard, consistent approach rather than collaboration, with work to be done on benchmarking and scheme cost comparison.

6.43 CA confirmed that the points about the continuing provision of support and guidance to scheme managers, by drafting a pension administration strategy, and simplifying discretions could be picked up by the secretariat, and further asked for the Board's views on the following points:

- Whether the board felt that a further project to benchmark the performance of each scheme manager was of value to the board.

- Noting the discussion around administrators and whether there are any benefits in reducing the numbers, and taking on board that the SAB as an advisory body cannot or would not make a recommendation towards a particular administrator, did the board wish to consider making a recommendation to FRAs that within a certain number of years, as contracts come to a natural end, that as a sector they look to reduce administration to x number of administrators, and if so did they have a view on what that number should look like.

6.44 RH commented that the first two points seemed beyond the remit of the SAB's terms of reference and it felt uncomfortable to recommend a reduction in the number of administrators. RPH confirmed that the Board sit between the Home Office and the scheme managers and can only advise on changes. SS stated that collaboration can be encouraged through evidence of good practice. A holistic approach needs to be taken to provide internal comparisons and benchmarking not just on cost, but also service to members.

6.45 Nevertheless the board agreed further discussion on recommendations and next steps for the board were needed and remitted these to the Administration & Benchmarking committee. DP confirmed that a meeting of the committee would be convened to discuss the recommendations and present a report to the SAB. ME thanked Aon for carrying out the review.

7. Ill-Health Retirement ([Paper 1](#))

7.1 CA presented Paper 1 to the Board based on discussions at previous meetings. The paper requests the Board to note areas of the ill-health process which can cause challenges to FRAs and make a decision on the formation of a working group to review the certificates and guidance.

7.2 It has been established that there are two particular aspects of the scheme that cause confusion within the ill-health process: single-source or "one-pot" ill-health, and the wording of the IQMP opinion on incapacity being 'likely to' continue to Normal Pension Age (NPA).

7.3 Single-source ill-health is a Treasury policy applying across all public service schemes, meaning that permanence is assessed to NPA (60) in line with the FPS 2015 regulations, including for transition members. SS remarked that this was an unexpected outcome of the new scheme, which FBU intend to challenge as it is perceived to be a change to the provision in benefit structure.

7.4 The wording of rule 65² states that the condition for ill-health retirement is met where incapacity will continue to NPA. Rule 152³ states that the IQMP shall provide an opinion on whether the incapacity is likely to continue until NPA. The secretariat is content that the regulations should be construed as likely to for completion of the certificates, in line with the earlier schemes. FRAs have a duty to "not act blindly" to ensure that the IQMP has taken all available evidence into account, as well as the intention of the regulations.

² <http://www.legislation.gov.uk/uksi/2014/2848/regulation/65/made>

³ <http://www.legislation.gov.uk/uksi/2014/2848/regulation/152/made>

- 7.5 Currently an upwards review of tier is not allowed on ill-health, but does apply within the compensation scheme. It is particularly difficult in relation to mental health conditions for the IQMP to certify that incapacity is permanent to NPA. The Home Office's informal view is that this should not fall to the scheme, rather the correct decision must be made at first determination.
- 7.6 SS sat on the previous IQMP guidance group in 2009 which worked with the Association of Local Authority Medical Advisers (ALAMA) to reach clear understanding on both sides. SS suggested that ALAMA should be invited to join a working group, along with two employee and employer representatives. SS highlighted that this is a considerable task as robust guidance is needed to assist members and the current form excludes some key considerations, such as redeployment, which need to be incorporated into the IQMP process.
- 7.7 DP agreed that the working group should be wider. DP stated that the nature of ill-health is evolving, with far more cases of mental ill-health and a reluctance of IQMPs to certify permanence. Careful consideration of these elements is necessary. RH supported that the current situation needs to be resolved and agreed to additional employer representation on the working group.
- 7.8 CA emphasised that the group needs members who are actively involved in the ill-health process and that too many members can lead to difficulty in reaching a definitive conclusion. CA suggested equal representation of three employee and employer bodies, with delegation to an experienced individual such as the HR manager.
- 7.9 CA explained that the current form only deals with the IQMP process, yet there are three distinct stages which may require documentation. CA noted the following actions:
- i. Stage 1 – Redeployment (FRA) – CA to progress
 - ii. Stage 2 – IQMP – Working group
 - iii. Stage 3 – Retirement/ Termination (FRA) – CA to progress
- 7.10 CA asked for views on one form per scheme or a multi-purpose form. Jane Marshall (JM) primarily works with the Police scheme where experience shows that multi-purpose forms should be avoided as difficulties arise when they are completed incorrectly. SS would be content with a single form as long as it is fit for purpose. The current forms have been shortened with no redeployment options or injury on duty declaration, which need to be considered prior to IQMP. JM agreed that occupational health should be involved at an early stage to assess reasonable adjustments and redeployment.
- 7.11 RH commented that internal medical input would be needed where the IQMP certifies that the member is not permanently incapacitated, but they are unable to carry out their former role. GM stated that forms need to cover managerial aspects as an audit trail.
- 7.12 JM stressed that forms need to be kept as simple as possible and strongly advocated a dedicated form for IQMP determinations only. SS added that the IQMP should, however, be satisfied that pre-checks have been carried out prior to assessment.

- 7.13 HS proposed one form per scheme, in three parts. SS noted that forms for FPS 1992 and 2006 exist and work well. CA added that the current FPS 2015 form is also fit for purpose until any challenge to the single-source mechanism is successful. However, FRAs need to be upskilled on the ill-health process and completing the forms.
- 7.14 TA agreed that a new form will not solve problems with the level of knowledge, highlighting an unprecedented number of medical appeals, IDRPCs and Pension Ombudsman (TPO) cases. Dave Limer (DL) added that FRAs have a duty to “not act blindly”, yet members are often referred to IQMP without engaging with the representative bodies to prepare them for the process. Education and timing is required to get a sound IQMP decision, as each medical appeal is at a cost of £10k to the FRA.

8. Internal Dispute Resolution Procedure ([Paper 2](#))

- 8.1 In 2018 the Board considered whether IDRPCs should remain a two stage process or be reduced to one stage as advocated by TPO. The SAB determined it was appropriate to retain two stages, with a review of the latest guidance issued in 2009. Paper 2 now asks the Board to consider which parties are best equipped to hear each stage and whether the timescales should be reduced to allow quicker resolution.
- 8.2 CA explained that the 2009 guidance [[FPSC 1/2009](#)] was compiled by the Firefighters’ Pensions Committee and proposed that elected members of the FRA hear stage two. However, anecdotal evidence suggests that the FRA are not confident to overturn a stage one determination due to a lack of skills and knowledge. GM noted that this was an initial convenience to use a decision making body already in place.
- 8.3 DP commented positively on the low number of IDRPCs reported to Aon in the benchmarking exercise, stating that complaints are generally in relation to process issues. DP stated that of those IDRPC hearings attended, elected members have had all relevant information to make a sound decision, although most are resolved at stage one. DP supported retaining elected members as they are experienced in dealing with process issues and cautioned against reducing timescales to 28 days at each stage as this may be too short, particularly if the individual is not an active scheme member. TA agreed that elected members should be retained, to give them oversight of the fire service and procedures; also that 28 days is not long enough.
- 8.4 RPR advised that his FRA used to look at complaints for LGPS and these are now passed to the monitoring officer as it was felt that elected members are more biased in the members’ favour. RPR said that elected members do not have the appropriate level of knowledge to deal with technical issues. RH added that legacy issues are inherited. Within a PFCC, everything falls to one individual and it would be helpful to have provision to delegate. RH stated that an 18-month timescale to resolution is too long and can exacerbate issues.

8.5 DP proposed that IDRPCs remain two stage as currently, with the CFO to hear stage one and elected members at stage two, with the ability to delegate or nominate appropriate persons. DP stated it is incumbent on elected members to obtain relevant advice or guidance on technical and legal issues. SS agreed that too many cases are escalated to TPO, so there is a need to ensure that FRAs are equipped to make the correct decision at second stage.

8.6 RPH commented that the right of second appeal brings integrity to the process, however, PFCCs change the dynamics of this. GM noted that TPO are of the firm view that no scheme should still have a two stage process. CA responded that this cannot be legislated for within FPS as there are 45 separate decision makers. CA agreed that 28 days is not sufficient, and asked whether a different timescale could be proposed, for example the whole process to be completed in X number of months.

8.7 CA explained that the two stage structure reflects the FRA/ scheme manager delegation arrangement and that there is provision with the guidance to nominate an appropriate representative. Based on the discussion, CA determined that a working party to update the guidance is not required and CA will produce a draft for review.

9. Joint Pension Board Guidance ([Paper 3](#))

9.1 Claire Hey (CH) gave a brief background to the development of the joint Local Pension Board (LPB) guidance by the LPB effectiveness committee, and the initial application of three East Midlands boards to become a joint board. CH asked for comments from the Board, prior to publication of the guidance in the June FPS bulletin.

9.2 SS confirmed that he was happy with the guidance. DL agreed that all previous comments and feedback had been incorporated. DL queried the status of the East Midlands application. The secretariat were unable to provide a definitive answer, although it was understood that the application had not yet been submitted to the Secretary of State. TA added that the committee had been awaiting the outcome of the application, but had now agreed to seek approval to publish due to the delay.

9.3 All agreed that the guidance could now be published.

10. Exit Cap Consultation – [Technical Note](#)

10.1 CA gave an update on the draft provisions of the proposed £95k cap on public sector exit payments. As FRAs do not award redundancy payments to firefighters above the statutory amount there are only two circumstances in which an exit payment could arise.

10.2 The first is enhanced commutation for firefighters retiring over the age of 50 with less than 30 years' service. Where the commutation lump sum is restricted to 2.25 times annual pension, the FRA has discretion to award full commutation of one quarter pension and make a payment of the difference into the notional pension fund. The draft regulations exempt this provision on the grounds that it is actuarially neutral as the member receives a smaller pension. This applies to FPS 1992 only.

10.3 The second is Authority Initiated Early Retirement (AIER) in FPS 2006 and 2015, where an FRA can allow a member to retire before age 60 and receive an unreduced pension. If this discretion is exercised, the authority have to make an annual payment into the notional fund of the difference between the reduced and unreduced pension. An exemption applies where the member has been retired on the grounds that they are unable to maintain operation fitness. AIER on any other grounds would qualify towards the cap.

10.4 SS confirmed that the FBU have drafted a response to the consultation, which has a deadline of 3 July. CA will submit a response on behalf of the SAB. The LGA have submitted a detailed workforce response which includes FPS considerations.

11. Update on actions summary/ items delivered

11.1 Items highlighted in yellow indicate completed actions since the last meeting:

- Board policies to be drafted – Ongoing
- To note that past service costs on pensionable pay remains a risk – Open
- Risk strategy
 - a. LPBS – Provided guidance
 - b. Board – Done – ongoing review
- SAB to champion use of on line technology – On-going, part of data conference
- Re-issue IDRPs guidance (done) offer training and support to FRAS (still in progress)
- LGA to establish ill-health working group with SAB and stakeholders – In progress, discussing with Home Office
- Further tax training sessions and materials to be procured.
- Monitor data guidance (on-going) – data conference held 3 April 2019
- Secretariat to work with legal adviser on pensionable pay issues

12. Future meeting dates and venues

12.1 All meetings in the 2019 cycle to be held at 18 Smith Square from 10:30 to 15:30. The following dates have been agreed:

Thursday 3 October
Thursday 12 December

AGM dates 24th and 25th September

12.2 DP submitted apologies for the October meeting.

13. AOB

13.1 There were no items of AOB. The meeting closed at 14:30



ACTIONS AND AGREEMENTS

Thursday 3 October 2019

18 Smith Square, Westminster, London SW1P 3HZ

PRESENT

Malcolm Eastwood	Chair
Cllr Roger Price	Scheme Employer Representative (LGA)
Roger Hirst	Scheme Employer Representative (LGA)
Cllr Nikki Hennessy	Scheme Employer Representative (LGA)
Cllr Ian Stephens	Scheme Employer Representative (LGA)
Andy Hopkinson	Scheme Member Representative (FLA)
Brian Hooper	Scheme Member Representative (FBU)
Sean Starbuck	Scheme Member Representative (FBU)
Tristan Ashby	Scheme Member Representative (FRSA)
Glyn Morgan	Scheme Member Representative (FOA)
Matt Lamb	Scheme Member Representative (FBU)
Jane Marshall	Legal Adviser
Helen Scargill	Technical Adviser
Craig Moran	First Actuarial
James Allen	First Actuarial
Wadha Salah	Home Office
Amar Pannu	Home Office
Anthony Mooney	Home Office
Claire McGow	SPPA (observer)
Ian Howe	Leicestershire County Council
Clair Alcock	LGA – Board secretariat
Claire Hey	LGA – Board secretariat (Minutes)

1. Apologies

1.1 Apologies were received from Cllr Roger Phillips, Cllr Nick Chard, Des Prichard and Dave Limer.

2. Changes to membership

2.1 A replacement for Fiona Twycross is required as soon as possible. A nomination has been requested from the Labour group office.

Scheme Advisory Board Secretariat

18 Smith Square, Westminster, London SW1P 3HZ T 020 7664 3189/ 020 7664 3205 E bluelight.pensions@local.gov.uk

3. Conflict of interest

3.1 All Board members completed a standard conflict of interest form. No interests were declared.

4. Minutes from previous meeting

4.1 The minutes of the meeting held on 13 June 2019¹ were agreed as an accurate record.

4.2 Actions

Minutes reference	Action	Progress
6.45	For admin and benchmarking committee to look at recommendations	Committee meeting held on 15 August 2019, paper submitted to SAB members by email to approve actions.
7.7	Agreed to establish an ill-health working group to consider guidance and problems	Agreed to be postponed until more detail on Sargeant remedy is known.
8.7	LGA to produce draft IDRPs guidance	Not yet commenced.
9.3	Publish joint board guidance	Published with June bulletin ² , no comments received.

5. Chair's update

5.1 Malcolm Eastwood (ME) informed the group of events attended in his capacity as chair of the SAB since the last meeting:

- LPB wrap up training
- Ill-health seminar
- LPB effectiveness committee
- Admin and benchmarking/ cost-effectiveness committee
- Pensions Tax Working Group
- Fire Pensions annual conference

6. McCloud/ Sargeant

6.1 Amar Pannu (AP) gave a verbal update on the FPS 2015 transitional protections legal challenge. The Government were refused right of appeal to the Supreme Court following the Court of Appeal judgment in December 2018, therefore the transitional protections are deemed to be unlawfully discriminatory. A Written Ministerial Statement³ confirmed that the judgment affected all public service schemes and remedy would be needed. The case management hearing for FPS has been scheduled for 18 December 2019; Judges and Police will be heard this

¹ <http://www.fpsboard.org/images/PDF/Meetings/13062019/Minutes130619.pdf>

² <http://www.fpsboard.org/images/PDF/Bulletin21/Appendix5.pdf>

³ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-07-15/HCWS1725/>

month. AP confirmed that only the parties involved in the legal process; the appellants, Firefighters' Pension Scheme members and the respondents; the respective UK Governmental bodies and the Employers (Fire and Rescue Authorities), would be involved in the court process.

6.2 Technical discussions will take place after the hearings to ensure that remedy works for specific schemes and this will also give a better idea of timescales. While proposals are at an early stage, there will be several basic principles of remedy:

- Members will retain their accrued rights.
- Some members will be better off in the new scheme, so cannot necessarily revert all to their old scheme. Treatment must be equal.
- Remedy will vary dependent on scheme design.

6.3 AP confirmed that the recommendations made by Lord Hutton in 2011 still stand, and the Government are committed to providing pensions that are affordable and sustainable in the long term. The Home Office are working on a factsheet to support FRAS, which will be available this month.

6.4 Clair Alcock (CA) expressed a view that that timescales will be clearer following the case management hearing, in the meantime LGA are working with the department, and the SAB will become involved during the drafting process and consultation period. CA added that the complexity of implementing and administering any changes cannot be underestimated.

6.5 CA asked whether opportunity to propose changes to scheme design, for example in relation to tax, is now presented. AP said that considerations on tax was a separate work stream from the remedy proposals for Sargeant. Therefore if the board wanted to make proposals this could be considered.

6.6 CA asked Craig Moran (CM) to give an update on work in the public sector on tax flexibilities, Craig updated the board on the NHS consultation⁴ on proposals for high earners to choose how much pension they earn and an option to phase in promotional increases over a number of years. This is evidence based, on the impact on delivery of frontline services.

6.7 Andy Hopkinson (AH) suggested that press coverage is underestimating the value of tax charges to members, and highlighted that charges are presenting a challenge to increasing diversity by discouraging applicants for promotion.

6.8 Anthony Mooney (AM) asked if there is misinformation in the sector, as the overall benefit is still likely to outweigh any tax charge using scheme pays. AH acknowledged that there can be a lack of communication and engagement, adding that it is difficult for members to calculate potential impact when applying for promotion. Roger Hirst (RH) agreed that a lack of proper worked examples makes it difficult to explain.

6.9 AH went on to give an update on the work of the re-named Public Service Pensions Alliance (PSPA) which was created to discuss and gather evidence on tax implications affecting middle earners. The group have written to the chancellor and ministers and were invited to a roundtable with HM Treasury to discuss tapered annual allowance. John Glen MP (Economic Secretary to the Treasury) recognised that pensions tax limits may have unintended

⁴ <https://www.gov.uk/government/consultations/nhs-pension-scheme-increased-flexibility>

consequences, but required evidence of this. ME noted that the group are conscious of yield.

- 6.10 To clarify the Home Office position, AP noted that HMT are open and willing to listen, but their threshold of evidence of impact on frontline delivery must be met. The Home Office will work together with HMT, although the first step needs to come from the sector.
- 6.11 Ian Howe (IH) explained that he deals with AA queries on a daily basis as an administrator. IH highlighted that flexibility already exists in other schemes such as LGPS and that communication is key. Helen Scargill (HS) added that member knowledge is growing and WYPF are seeing an increase in calculation requests for promotions.
- 6.12 CA reminded the board that the work-plan already includes educating employers to ensure information is available to members and commissioning further guidance, and a tax seminar is planned for 12 November. Consideration has previously been given to whether the board could mandate each FRA to provide information to members via procurement of a single provider, however, it was decided that it would not offer value for money as some FRAs provided advice to their members via their administrators.
- 6.13 CA asked the board to consider how active or passive they wished to be in the work arising from the PSPA, and whether SAB should put forward a business case for increasing flexibilities in the scheme. CA reflected that when the board considered the proposals for improving member benefits as part of the cost cap consultation, the board had struggled with evidence for their proposals. Views were welcomed particularly from employer representatives, who are firmly committed to increasing diversity and inclusion in services, and whether there was any evidence that the potential tax liabilities could threaten that.
- 6.14 Glyn Morgan (GM) stated that there is opportunity for the Board to develop proposals for change to scheme design, including taxation, ill-health reviews, and reporting. Work streams would be needed to put a business case together. AH added that the PSPA's work on tax flexibilities could be made available to the SAB. A survey to gather evidence which can be used consistently across public service is being developed and should be available this month.
- 6.15 Cllr Ian Stephens (IS) highlighted the need to ensure understanding across the employer side, through the Fire Services Management Committee (FSMC) and the LGA's Leadership Essentials course. IH suggested that the SAB should feed into FSMC. Cllr Nikki Hennessy (NH) supported this and added that the LGA fire conference would be an ideal forum.
- 6.16 CA welcomed this and said that limited responses had been received to the SAB request for information in late 2018⁵, where perhaps senior management had not had oversight. The LGA fire conference could provide an ideal opportunity aimed at senior leaders to provide more substantive evidence.

⁵ <http://www.fpsboard.org/images/PDF/Meetings/14032019/ITEM8-140319.pdf>

6.17 GM noted in terms of opt outs that affordability can affect all members, but flexibilities are more likely to affect higher earners. HS stated that a FF member with a duty system allowance could breach AA. AH reminded the meeting of on-going pay negotiations, with potential significant pay uplift which would need impact assessment. IH added that CPI has an impact on AA breaches.

6.18 AH queried whether the employer has a moral duty to provide calculation on potential impact of promotions. CA related various ombudsman cases relating to Protected Pension Age (PPA) which determined that the employer has a duty of care to ensure employees understand if there will be a tax implication. CA suggested the provision of a procurement framework for FRAs to call-off professional tax advice and encourage open competition.

Action

Working party/ work stream to be convened with remit of pursuing evidence and developing proposals for flexibility.

7. Future of Pensions Administration

7.1 CA explained that the Aon benchmarking review has raised issues about the complexity of the FPS and what the current market place for administration looks like. The SAB had previously expressed little appetite to change the framework, preferring to look at how the stakeholders of the existing framework could be supported. However, following Leicestershire County Council's recent decision to withdraw from the administration market, IH was invited to the meeting to talk about the risk as they saw it of the market staying as it was.

7.2 IH stated that the risk of FPS administration has been increasing year on year since 2015. That risk is now felt to be so significant that the decision was made to terminate Leicestershire CC's contract with three FRAs. Relevant risks include pensions taxation and the transitional protections challenge. IH noted significant concern over the impact of remedy on administration, such as costly system changes and "better of" protections. Additionally, TPR have introduced increased pressure around governance, data, and communications.

7.3 As there are only two software providers in the FPS market, with an already complex structure for a relatively small scheme, IH expressed concern that providers will not be able to guarantee the accuracy of future calculations. Additional risks are the complexity of valuation and cost-cap, and on-going training to keep staff knowledge up to date. IH highlighted that the decision had been made on risk alone, of which McCloud is the key factor.

7.4 SS asked for further clarification on the risk of McCloud, as there would be potential read across from the special member exercise. IH described the uncertainty over future scheme design, including:

- Retrospective benefit changes, including dependents' benefits to 2015.
- Tax implications and Unauthorised Payments.
- Communications.
- System changes.
- Cost.

- 7.5 HS added that the number of affected members will also be considerably higher.
- 7.6 AM asked whether Leicester had discussed their decision with any other administrators and what were their views. IH confirmed that the decision was made by Leicestershire CC in isolation, based on their risk register and four years of monitoring the situation. Other administrators have since expressed concern to IH.
- 7.7 HS and IH left the room while the Board discussed risks and options for the future of administration. While it is not within the SAB remit to drive administration, the Board were asked to consider the pros and cons of staying with the status quo. There is a risk that other providers may decide to leave the market place and those who are left get the business by default rather than design, and that other services such as software decide not to support the scheme going forward.
- 7.8 Possible options to explore while retaining a neutral position could be launching a consultation to obtain the views of stakeholders and / or setting up a procurement framework for fire administration. Procurement is currently challenging as the current frameworks that exist are unclear whether they provide option for comparison. For example, the Norfolk framework only offers one provider of Fire administration. However, the framework expires next year and they have expressed an interest in involving FPS, so there is an opportunity for the SAB to explore this avenue.
- 7.9 RH commented that attempts to manipulate the market could be concerning, although the reducing number of providers would lead to a lack of competition. CA agreed and proposed a consultation of stakeholder views, which would maintain the neutral position of the SAB. NH suggested asking FRAs if pension administration is on their risk registers and highlighted the need to be proactive.
- 7.10 CA explained that the three FRAs involved ideally want to retain the same software provider, and that they have a joint pension board application pending. Withdrawal of administration was not on their risk registers.
- 7.11 GM stated that information is needed from FRAs on the level of risk. AH asked if the consultation should be expanded to include LPBs as the current structure of 44 may not be effective and efficient. SS acknowledged that the verbal report is concerning, but there is a need to understand whether this is a blip or a trend.
- 7.12 Tristan Ashby (TA) explained that IH sits on the LPB effectiveness committee and is known to provide an excellent service, so expressed concern over who would pick up the business. CA confirmed that the FRAs are looking at procurement options, the Norfolk framework might be used, but as previously mentioned there is a lack of choice.
- 7.13 RH asked if it would be a problem for all three to choose different providers. RP suggested that other FRAs as well as providers should be approached, as they may be looking to expand. ME asked whether other providers were aware of the potential risks, as FRAs may expose themselves further if not.

7.14 SS emphasised the need to ensure administration provision is on FRA risk registers and stated that non-response to basic surveys is concerning. IS queried whether cost had been a factor in the decision at Leicester or if it was simply based on risk as stated. IS stressed that any communication regarding the future of administration need to come from the central SAB/ secretariat, rather than each employer representative to speak to their own FRA.

7.15 CA summarised that the SAB agreed there was cause for concern, but no action to be taken at present until further information sought.

Action
More information to be sought via consultation on the market place and risk.

8. Administration and Benchmarking review – recommendations update **[\(Presentation 1\)](#)**

8.1 Following Aon's update at the AGM on the findings of the administration and benchmarking review CA presented an overview of next steps to the Board. CA highlighted that the challenges faced were important as the results could only be based on the information provided, which was often inconsistent. The lack of a suitable comparator made it difficult to benchmark scheme costs.

8.2 CA explained that the report, which sought to address how much the scheme costs to run and the efficacy of administration, focussed on seven recommendations in the following areas:

- Reducing complexity
- Addressing data issues
- Standardising timescales
- Improving engagement
- Adequate resources
- Improved breach recording
- Annual collection of costs

8.3 Collection of cost data had proven particularly difficult, although this was thought to be partly because such an exercise had never been undertaken before. The Board acknowledged this to be the case and agreed to the annual collection of costs, with the secretariat to work with the sector through the Fire Finance Network (FFN). The annual FFN conference in October would be an ideal opportunity to discuss the best way to do this. The cost of correcting errors needed to be included as well as broader pension costs, such as resources.

8.4 CA talked through the next steps as shown in [Presentation 1](#) which will be progressed by the LGA Bluelight team using the SAB, its committees, and other FPS forums, highlighting that some of the work is already underway. Comments were invited from the room.

8.5 AH stated the results reinforce the uncertainty and lack of understanding at FRAs. CA remarked that the seniority of the scheme manager role can impact on the level of support to pensions and the local board. RH asked whether it is more appropriate to a uniformed or non-uniformed role. CA confirmed that the governance regulations are not prescriptive, however, it is helpful for the scheme manager to have operational insight and they should certainly be part of the senior management team.

8.6 RH said that there are many good next steps and asked what the associated costs are and where they will fall. CA explained that the secretariat are working to quantify costs and that any item attracting a cost will be referred to the SAB. SS commented that there were some concerning results, but plenty of quick wins.

9. Governance ([Presentation 2](#))

9.1 CA gave a presentation and update on governance, based on the outcomes of TPR's governance and administration survey 2018, and data scoring. The main concern is that TPR have confirmed that FPS supervisory and engagement work will be undertaken based on the survey outcomes. Whereas the LGPS cohort work was by random selection, TPR have specifically identified four FRAs to visit. However, the reports will be confidential. TPR have been invited to the next meeting of the LPB effectiveness committee.

9.2 CA summarised the key findings in relation to FPS and highlighted that the SAB have a statutory duty to make FRAs aware of the TPR's requirements:

- Boards are less likely to meet quarterly, with an average of 2.5 meetings per year. The regulations are not prescriptive, but four is recognised good practice.
- Fire schemes are also less likely to have risk management processes in place and to review them quarterly, and to include administration on their meeting agendas.
- While schemes are more likely to have better data, FPS is a single employer, and 9% indicated that they had never performed a data review.
- Fire schemes noted an increase in access to knowledge and understanding from 36% in 2015 to 98% in 2018. However, the second most common barrier to improved governance was identified as lack of time and resources.
- TPR noted low recording and reporting activity in relation to breaches of the law, particularly outside of ABS breaches.
- Of the key processes measured each year, only 63% of FRAs have all six in place. This is one of the easiest ways for schemes to improve governance and it is recommended that boards self-assess against their own responses against the national results annually.

9.3 CA explained that TPR introduced common and scheme specific data scoring to the scheme return last year, although they did not provide a standard list of data items. Generally, FRAs scored their data highly, yet 55% could not confirm in the Aon survey whether they had data excluded from GAD's 2016 valuation assumptions.

9.4 To assist in addressing this, the secretariat plan to add criteria to the informal data scoring guidance⁶ to adjust scores for accuracy, as shown in the following table. Plans are also in progress to support data improvement.

Data Score	85
Data as expected	0 = Processes in place 5 = No Processes in place
Process for two pension entitlement	5
Special 2006 data held on system	1
Process to identify reason for APBs	5
Consistency	
Administrator tolerance for +/- % pay change	0
Validation	
Monthly reconciliation	5
Number of returns to employer	2
Member queries after comms exercise (ie ABS)	3
Accuracy	3 %
Scaled Score	82.45

10. AGM feedback

10.1 ME said that the AGM was well received and had seen much networking taking place over the two days. Those who attended were asked for views. GM confirmed that the event was good and had received positive feedback. CM agreed. NH had attended for the first time and found it enjoyable.

10.2 CA agreed that all verbal feedback had been good and highlighted the need to ensure that training and events are beneficial, as they are funded by the statutory levy. The recent training survey results⁷ show conferences to be well received and on the right topics. Views were sought on topics for next year.

10.3 HS asked whether there would be scope to repeat the workshops on day one so delegates could attend more than one session.

11. Update on actions summary/ items delivered

11.1 Items highlighted in yellow indicate completed actions since the last meeting:

- Board policies to be drafted – Ongoing.
- To note that past service costs on pensionable pay remains a risk.
[Recent Booth vs Mid and West Wales case will require authorities to correct pensionable pay. The effect of that is yet to be understood.]

⁶ <http://fpsregs.org/images/admin/TPRdatascoring0818.pdf>

⁷ <http://www.fpsboard.org/images/PDF/Surveys/Training2019.pdf>

- Survey FRAs on impact of pensionable pay – Closed – new item on pensionable pay.
- Draft guidance note to boards to ensure they satisfy themselves that pensionable pay is correct in light of Norman V Cheshire – Closed new item on pensionable pay.
- Risk strategy
 - LPBs – Provided guidance.
 - Board – Done – ongoing review.
- SAB to lead on data improvement – In progress - data conference, working with admin and bench marking committee – Done issued [guidance](#) in bulletin 11 on data scoring and conditional data. Will need to monitor success. New item track data guidance.
- SAB to champion use of on line technology – This is now embedded in all of SABs comms. Secretariat to establish a software suppliers group. Close item.
- The board to respond to TPO judgment on pensionable pay – Summary of case included in [bulletin 14](#), likely to be challenged. Closed – new item on pensionable pay.
- AGM – Closed.
- Re-issue IDRPs guidance (done) offer training and support to FRAS, embedded into training.
- LGA to establish ill-health working group with SAB and stakeholders – In progress, Discussing with Home Office.
- Home Office to consult with SAB on valuation results – Done.
- Further tax training sessions and materials to be procured.
- Evidence gathered for public service tax liabilities – Done.
- Legal opinion to be obtained on award of pension credit benefits for transitional members – Item closed.
- Data scoring guidance (on-going) Data conference, embedded into training, regional groups to discuss, SAB shown weighting guidance.
- Secretariat to work with legal adviser on pensionable pay issues, to progress guidance to authorities.
- Board to collect patterns of IDRPs and establish where guidance is needed. [Next bulletin].
- Progress AON recommendations.

12. Future meeting dates and venues

12.1 All meetings to be held at 18 Smith Square from 10:30 to 15:30. The following dates have been agreed:

Thursday 12 December 2019
 Thursday 19 March 2020
 Thursday 11 June 2020
 Thursday 17 September 2020
 Thursday 10 December 2020

12.2 NH tendered apologies for the December meeting.

12.3 All meeting dates are held on the Board member log-in page of www.fpsboard.org.

13. AOB

13.1 There were no items of AOB.



OFFICIAL

West Yorkshire Pension Fund - KPIs

Local Pension Board

Date: 31 January 2020

Agenda Item:

12

Submitted By: Chief Employment Services Officer

Purpose	To inform Members of West Yorkshire Pension Fund performance in key areas for the periods 1 June 2019 – 30 November 2019
Recommendations	That Members note the performance of West Yorkshire Pension Fund in key areas
Summary	This report informs Members of the Authority's key areas which West Yorkshire Pension Fund measure their level of service against

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Officer
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Background papers open to inspection: None

Annexes: Annex A – 1 June 2019 to 30 November 2019

1 Introduction

1.1 The KPI report presents performance data from West Yorkshire Pension Fund in a number of key areas. Some of the areas included are as follows:

- Transfer in and out quotes
- Divorce quotes
- Pension estimates
- Deferred benefit set up
- Retirement quotes
- Retirement actuals
- Payroll changes
- Death notifications

1 June 2019 – 30 November 2019

WORKTYPE	TOTAL_CASES	TARGET_DAYS_FOR_EACH_CASE	TARGET_MET_CASES	MINIUM_TARGET_PERCENT	TARGET_MET_PERCENT	AVERAGE_TIME_TAKEN
Age 55 Increase to Pension	25	20	25	85	100	10.6
Change of Address	37	20	36	85	97.3	1.24
Change of Bank Details	11	20	11	85	100	1.36
DWP Request For Information	4	10	4	85	100	1.75
Death Grant Nomination Form Received	37	20	35	85	94.59	6.14
Death Grant to Set Up	1	5	1	85	100	0
Death in Retirement	34	5	34	85	100	0.65
Deferred Benefits Into Payment " Payment of Lump Sum"	6	3	3	85	50	4.17
Deferred Benefits Set Up on Leaving	7	10	4	85	57.14	10.86
Divorce Quote	1	40	1	85	100	6
Divorce Settlement " Pension Sharing order Implemented	5	80	5	100	100	1.8
Enquiry Fire	2	5	2	85	100	0
General Payroll Changes	104	20	104	85	100	1.74
Initial letter Death in Retirement	34	5	34	85	100	0.68
Injury Review	178	20	177	100	99.44	0.6
Life Certificate received	153	5	146	85	95.42	1.91
NI adjustment to Pension at State Pension Age	11	20	11	85	100	14.91
Payment of Spouses _Child Benefits	19	10	19	100	100	0.58
Pension Estimate	39	10	39	85	100	3.44
Pension Saving Statement	1	20	1	100	100	0
Pension Set Up_Payment of Lump Sum	34	3	34	85	100	2.82
Retirement Actual	34	10	33	85	97.06	2.82
Set Up New Spouse Pension	19	5	19	85	100	0.58
Spouse Potential	6	10	3	85	50	8.5
Transfer In Actual	2	10	0	85	0	58
Transfer In Quote	17	10	13	85	76.47	8
Update Member Details	23	20	23	100	100	0



OFFICIAL

Survey Responses

Local Pension Board

Date: 31 January 2020

Agenda Item:

13

Submitted By: Pensions Officer

Purpose	To inform members of the Scheme Managers responses to recent surveys.
Recommendations	That the responses be noted and challenged where necessary.
Summary	<p>The Scheme Manager has been asked to provide responses for the following survey:</p> <p>a) The Pensions Regulator (TPR) survey</p>

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Officer
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Background papers open to inspection: None

Annexes: Annex A – TPR Survey Responses

1 Introduction

- 1.1 Since the last Local Pension Board meeting the Scheme Manager has been asked to provide responses to a recent survey.
- 1.2 Although the survey isn't mandatory, the SAB has encouraged all FRA/FRSs to respond.
- 1.3 The TPR survey is an annual survey, the purpose is for TPR to get a better understanding of the governance of the scheme.

2 Information

- 2.1 The replies to the survey is available on the attached annex.
- 2.2 The reposes were provided by Claire Johnson, Pensions Officer, with assistance from the Scheme Manager, LPB Chair and West Yorkshire Pension Fund.

3 Financial Implications

- 3.1 There are no financial implications arising from this report.

4 Legal Implications

The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

5 Human Resource and Diversity Implications

- 5.1 There are no HR or Diversity implications arising from this report.

6 Health, Safety and Wellbeing Implications

- 6.1 There are no Health and Safety implications arising from this report.

The Pensions Regulator

Public Service Governance and Administration Survey 2019

This document is intended to be used as a guide to help you gather the information required for the survey. Please note, however, that we need you to complete the questionnaire through the [online survey link](#) contained in your invitation email.

Thank you for taking the time to complete this survey. Please answer the questions in relation to the scheme referenced in your invitation email. Where the scheme is locally administered, we mean the sub-scheme or fund administered by the local scheme manager.

Your responses will be kept anonymous unless you consent otherwise at the end of the survey. Linking your scheme name to your answers will help inform The Pensions Regulator's (TPR's) engagement with you in the future.

This survey should be completed by the scheme manager or by another party on behalf of the scheme manager. They should work with the pension board chair to complete it, and other parties (e.g. the administrator) where appropriate.

There is a space at the end of the survey to add comments about your answers where you feel this would be useful.

SECTION A – GOVERNANCE

The first set of questions is about how your pension board works in practice.

A1. EVERYONE TO ANSWER

Does your scheme have a documented policy to manage the pension board members' conflicts of interest?

Please select one answer only

1. Yes
2. No
3. Don't know

A2. EVERYONE TO ANSWER

Does your scheme maintain a register of pension board members' interests?

Please select one answer only

1. Yes
2. No
3. Don't know

A3. EVERYONE TO ANSWER

Focusing on the scheme's pension board meetings in the last 12 months, please tell us the following:

Please write in the number for each of a-c below

- a) Number of board meetings that were scheduled to take place (in the last 12 months) 2
- b) Number of board meetings that actually took place (in the last 12 months) 3 – Additional via email
- c) Number of board meetings that were attended by the scheme manager or their representative (in the last 12 months) 2

A4. EVERYONE TO ANSWER

Do the scheme manager and pension board have sufficient time and resources to run the scheme properly?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

A5. EVERYONE TO ANSWER

Do the scheme manager and pension board have access to all the knowledge, understanding and skills necessary to properly run the scheme?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

A6. EVERYONE TO ANSWER

How often does the scheme manager or pension board carry out an evaluation of the knowledge, understanding and skills of the board as a whole in relation to running the scheme?

Please select one answer only

- 1. At least monthly
- 2. At least quarterly
- 3. At least every six months
- 4. At least annually
- 5. Less frequently
- 6. Never
- 7. Don't know

A7. EVERYONE TO ANSWER

On average, how many hours of training per year does each pension board member have in relation to their role on the pension board?

Please write in the number below

7 hours per year

A8. EVERYONE TO ANSWER

Does the pension board believe that in the last 12 months it has had access to all the information about the operation of the scheme it has needed to fulfil its functions?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

A9. EVERYONE TO ANSWER

Is the pension board able to obtain sufficient specialist advice on the following matters when it needs to?

Please select one answer per row

	Yes	No	Don't know
a) Administration	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Cyber security	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Legal	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

A10. EVERYONE TO ANSWER

Focusing on the composition of your pension board, please tell us the following:

Please write in the number for each of a-d below

- | | |
|---|---|
| a) Number of <u>current</u> board members | 4 |
| b) Number of <u>vacant</u> positions on the board | 0 |
| c) Number of members that have <u>left</u> the board in the last 12 months | 2 |
| d) Number of members that have been <u>appointed</u> to the board in the last 12 months | 2 |

A11. EVERYONE TO ANSWER

Does the scheme have a succession plan in place for the members of the pension board?

Please select one answer only

1. Yes
2. **No**
3. Don't know

A12. EVERYONE TO ANSWER

Has the scheme manager delegated the responsibility for making the day-to-day decisions needed to run the scheme to another person? – **Delegated by the Authority to Ian Brandwood**

Please select one answer only

1. **Yes**
2. No
3. Don't know

SECTION B – MANAGING RISKS

The next set of questions is about managing risks.

B1. EVERYONE TO ANSWER

Does your scheme have its own documented procedures for assessing and managing risk?

Please select 'No' if your scheme relies on your local authority's documented procedures for assessing and managing risk.

Please select one answer only

1. **Yes**
2. No
3. Don't know

B2. EVERYONE TO ANSWER

Does your scheme have its own risk register?

Please select 'No' if your scheme relies on your local authority's risk register.

Please select one answer only

1. **Yes**
2. No
3. Don't know

B3. EVERYONE TO ANSWER

In the last 12 months, how many pension board meetings reviewed the scheme’s exposure to new and existing risks?

Please write in the number below

2

B4. EVERYONE TO ANSWER

To what do the top three governance and administration risks on your register relate? If you do not have a risk register, please tell us to what the top three governance and administration risks facing your scheme relate.

Please select up to three options below

1. Funding or investment
- 2. Record-keeping (i.e. the receipt and management of correct data)**
3. Guaranteed Minimum Pension (GMP) reconciliation
4. Securing compliance with changes in scheme regulations
- 5. Production of annual benefit statements**
6. Receiving contributions from the employer(s)
7. Lack of resources/time
- 8. Recruitment and retention of staff or knowledge**
9. Lack of knowledge, effectiveness or leadership among key personnel
10. Poor communications between key personnel (board, scheme manager, administrator, etc.)
11. Failure of internal controls
12. Systems failures (IT, payroll, administration systems, etc.)
13. Cyber risk (i.e. the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its IT systems and processes)
14. Administrator issues (expense, performance, etc.)
15. Other (please specify):
16. Don't know

SECTION C – ADMINISTRATION AND RECORD-KEEPING PROCESSES

The next set of questions is about administration and record-keeping.

C1. EVERYONE TO ANSWER

Does the scheme have an administration strategy?

Please select one answer only

1. Yes
2. No
- 3. Don't know**

C2. EVERYONE TO ANSWER

Which of the following best describes the scheme’s administration services?

Please select one answer only

1. Delivered in house
- 2. Undertaken by another public body (e.g. a county council) under a shared service agreement or outsource contract**
3. Outsourced to a commercial third party
4. Other
5. Don't know

C3. EVERYONE TO ANSWER

Which of the following do you use to measure the performance of your administrators (whether in-house or outsourced)?

Please select all the options that apply

1. Performance against a service level agreement or service schedule
2. Member satisfaction ratings
3. 'Right first time' statistics
4. Testing the accuracy of calculations
5. Analysis of errors
6. Complaints volumes and trends
7. Volumes of rework required
8. Assessing project delivery against initially agreed time and cost
9. Benchmarking against the market
10. Auditing administration functions and systems
11. None of these
12. Don't know

C4. EVERYONE TO ANSWER

To what extent are the following processes automated?

A process is automated if it is completed through the use of technology, for example through a software platform, with minimal human intervention.

Please select one answer per row

	Fully automated	Mainly automated with some manual intervention	Mainly done manually	All done manually	Don't know
a) Verification and input of employer data	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Reconciliation of contributions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Reporting – data quality	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Reporting – complaints and issues	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Benefit value calculations	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Transfer value calculations	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Production of benefit statements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Monitoring workload and resourcing	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

C5. EVERYONE TO ANSWER

What, if any, barriers do you face to automating more of the scheme's processes?

Please select all the options that apply

1. Lack of suitable technology
2. Difficulty in integrating it with the scheme's existing systems
3. The initial set-up costs involved
4. Securing the necessary internal approval
5. Internal resistance to (further) automation
6. Lack of knowledge/expertise about how to implement this
7. Poor quality of the data
8. Other (please specify): Time Constraints
9. No barriers to automating more of the scheme's processes
10. Don't know

C6. EVERYONE TO ANSWER

In the last 12 months, how many pension board meetings had administration as a dedicated item on the agenda?

Please write in the number below

2

C7. EVERYONE TO ANSWER

Do you have processes in place to monitor scheme records for all membership types on an ongoing basis to ensure they are accurate and complete?

Please select one answer only

1. Yes
2. No
3. Don't know

C8. EVERYONE TO ANSWER

Does the scheme have an agreed process in place with the employer(s) to receive, check and review data?

Please select one answer only

1. Yes
2. No
3. Don't know

C9. EVERYONE TO ANSWER

Is your scheme single employer or multi-employer?

Please select one answer only

1. Single employer scheme (i.e. used by just one employer)
2. Multi-employer scheme (i.e. used by several different employers)

C10. ANSWER IF SINGLE EMPLOYER SCHEME (C9=1)

Does your participating employer...

<i>Please select one answer per row</i>	Yes	No	Don't know
a) Always provide you with timely data?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Always provide accurate and complete data?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Submit data to you monthly?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Submit data to you electronically?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

C11. ANSWER IF MULTI-EMPLOYER SCHEME (C9=2) – N/A

What proportion of your scheme's employers...

Please write in the percentage (from 0% to 100%) for each of a-d below. If you do not know exactly, please give an approximate percentage.

- a) Always provide you with timely data? %
- b) Always provide accurate and complete data? %
- c) Submit data to you monthly? %
- d) Submit data to you electronically? %

C12. EVERYONE TO ANSWER

Does the scheme have a process in place for monitoring the payment of contributions?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

C13. EVERYONE TO ANSWER

Does the scheme have a process in place for resolving contribution payment issues?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

SECTION D – CYBER SECURITY

The next set of questions is about your scheme's cyber security.

D1. EVERYONE TO ANSWER

Which, if any, of the following controls does your scheme have in place to protect your data and assets from 'cyber risk'?

By 'cyber risk' we mean the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its information technology systems and processes.

Please select all the options that apply

1. Roles and responsibilities in respect of cyber resilience are clearly defined and documented
2. Cyber risk is on the risk register and regularly reviewed
3. Assessment of the vulnerability to a cyber incident of the key functions, systems, assets and parties involved in the running of the scheme
4. Assessment of the likelihood of different types of breaches occurring in the scheme
5. Access to specialist skills and expertise to understand and manage the risk
6. System controls (e.g. firewalls, anti-virus and anti-malware products and regular updates of software)
7. Controls restricting access to systems and data
8. Critical systems and data are regularly backed up
9. Policies on the acceptable use of devices, passwords and other authentication, and on home and mobile working
10. Policies on data access, protection, use and transmission which are in line with data protection legislation and guidance
11. An incident response plan to deal with any incidents which occur
12. The scheme manager has assured themselves of third party providers' controls (including administrators)
13. The scheme manager receives regular updates on cyber risks, incidents and controls
14. The pension board receives regular updates on cyber risks, incidents and controls
15. None of these
16. Don't know

D2. EVERYONE TO ANSWER

Have any of the following happened to your scheme, including at your administration provider, in the last 12 months?

Please select all the options that apply

1. Computers becoming infected with ransomware
2. Computers becoming infected with other viruses, spyware or malware
3. Attacks that try to take down your website or online services
4. Hacking or attempted hacking of online bank accounts
5. People impersonating your scheme in emails or online
6. Staff receiving fraudulent emails or being directed to fraudulent websites
7. Unauthorised use of computers, networks or servers by staff, even if accidental
8. Unauthorised use or hacking of computers, networks or servers by people outside your scheme
9. Any other types of cyber security breaches or attacks
10. None of these
11. Don't know

D3. ANSWER IF EXPERIENCED ANY CYBER SECURITY BREACHES IN THE LAST 12 MONTHS (D2=1-9)

Thinking of all the cyber security breaches or attacks experienced by your scheme in the last 12 months (including at your administration provider), which, if any, of the following happened as a result?

Please select all the options that apply

1. Software or systems were corrupted or damaged
2. Personal data (e.g. on members, beneficiaries or staff) was altered, destroyed or taken
3. Permanent loss of files (other than personal data)
4. Temporary loss of access to files or networks
5. Lost or stolen assets, trade secrets or intellectual property
6. Money was stolen
7. Your website or online services were taken down or made slower
8. Lost access to any third-party services you rely on
9. **None of these**
10. Don't know

SECTION E – DATA REVIEW

The next set of questions is about your scheme's approach to reviewing and improving its data.

E1. EVERYONE TO ANSWER

When did your scheme last complete a data review exercise?

Please select one answer only

1. **Within the last 12 months**
2. More than 12 months ago
3. Never completed one
4. Don't know

E2. ANSWER IF SCHEME HAS EVER COMPLETED A DATA REVIEW EXERCISE (E1=1 OR 2)

Did your scheme's most recently completed data review exercise identify any issues or problems with the following?

Please select one answer per row

	Yes	No	Don't know
a) National insurance number	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Date of birth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) First name	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Surname	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Gender	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) First line of address	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Postcode	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Membership start date	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i) Membership end date (if applicable)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
j) Expected retirement age	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
k) Anticipated income at retirement (based on expected retirement age)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
l) Other data item(s)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

E3. ANSWER IF REVIEW IDENTIFIED ISSUES WITH ANY OF THE SPECIFIC DATA ITEMS (YES AT ANY OF E2a-k)

Focussing just on the specific data items that you identified issues or problems with in your most recently completed data review, approximately what percentage of the scheme memberships were affected by each one?

*Please select one answer per row
(just for those selected at E2)*

	% of memberships affected					Don't know
	<1%	1-9%	10-19%	20-29%	30%+	
a) National insurance number	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Date of birth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) First name	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Surname	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Gender	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) First line of address	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Postcode	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Membership start date	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i) Membership end date (if applicable)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
j) Expected retirement age	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
k) Anticipated income at retirement (based on expected retirement age)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

E4. ANSWER IF DATA REVIEW IDENTIFIED ISSUES WITH ANY DATA ITEMS (YES AT ANY OF E2a-l)

Has any action been taken to address the issues or problems identified with the data?

Please choose one answer that most closely describes the action your scheme has taken to date

1. An improvement plan is in development
2. An improvement plan is in place but rectification work is not yet complete
3. An improvement plan has been put in place and rectification work has been completed
4. Rectification work has been undertaken without an improvement plan
5. No improvement plan has been developed and no work has been undertaken
6. Don't know

SECTION F – ANNUAL BENEFIT STATEMENTS

The next set of questions is about members' annual benefit statements.

F1. EVERYONE TO ANSWER

In 2019, what proportion of active members received their annual benefit statements by the statutory deadline?

Please write in the percentage below. If you do not know exactly, please give an approximate percentage.

97.17%

F2. ANSWER IF DEADLINE WAS MISSED FOR ANY MEMBERS (F1=0-99%)

Was the missed deadline for issuing active member statements reported to TPR?

Please select one answer only

1. **Yes - and Breach of Law report made**
2. Yes - but decided not to make a Breach of Law report
3. No - not reported
4. Don't know

F3. ANSWER IF MISSED DEADLINE WAS NOT REPORTED TO TPR (F2=3) – N/A

What was the main reason for not reporting the breach?

Please select one answer only

1. Not material - few statements affected
2. Not material - very short delay
3. Other reason (please specify):
4. Don't know

F4. EVERYONE TO ANSWER

What proportion of all the annual benefit statements the scheme sent out in 2019 contained all the data required by regulations?

Please write in the percentage below. If you do not know exactly, please give an approximate percentage.

100%

SECTION G – RESOLVING ISSUES

The next set of questions is about resolving issues or complaints the scheme has received.

G1. EVERYONE TO ANSWER

Does the scheme have a working definition of what constitutes a complaint?

Please select one answer only

1. **Yes**
2. No
3. Don't know

G2. EVERYONE TO ANSWER

Focusing on the complaints you have received in the last 12 months from members or beneficiaries in relation to their benefits and/or the running of the scheme, please tell us the following information.

Please write in the number for each of a), b) and c) below. The number at b) should be equal to or lower than the number at a). The number at c) should be equal to or lower than the number at b).

- | | |
|--|----------|
| a) <u>Total</u> number of complaints received | 1 |
| b) Number of these complaints that have entered the Internal Dispute Resolution (IDR) process | 1 |
| c) Number of these complaints that were upheld by the IDR process | 1 |

G3. ANSWER IF ANY COMPLAINTS ENTERED THE IDR PROCESS IN THE LAST 12 MONTHS (G2b>0)

To what did the top three types of complaint going through the IDR process relate?

Please select up to three options below

1. Slow or ineffective communication
2. Inaccuracies or disputes around pension value or definitions
3. Delays to benefit payments
4. Disputes or queries about the amount of benefit paid
5. Delay or refusal of pension transfer
6. Inaccurate data held and/or statement issued
7. Pension overpayment and recovery
8. Eligibility for ill health benefit
9. Other (please specify):
10. Don't know

SECTION H – REPORTING BREACHES

The next set of questions is about the scheme's approach to dealing with any breaches of the law.

H1. EVERYONE TO ANSWER

Does the scheme have procedures in place to allow the scheme manager, pension board members and others to identify breaches of the law?

Please select one answer only

1. Yes
2. No
3. Don't know

H2. EVERYONE TO ANSWER

In the last 12 months, have you identified any breaches of the law that are not related to annual benefit statements?

Please select one answer only

1. Yes
2. No
3. Don't know

H3. ANSWER IF ANY BREACHES OF THE LAW NOT RELATED TO ANNUAL BENEFIT STATEMENTS HAVE BEEN IDENTIFIED IN THE LAST 12 MONTHS (H2=1) - N/A

What were the root causes of the breaches identified?

Please select all the options that apply

1. Systems or process failure
2. Failure to maintain records or rectify errors
3. Management of transactions (e.g. errors or delays in payments of benefits)
4. Failure of the employer(s) to provide timely, accurate or complete data
5. Late or non-payment of contributions by the employer(s)
6. Other employer-related issues (please specify):
7. Something else (please specify):
8. Don't know

H4. EVERYONE TO ANSWER

Are there procedures in place to assess breaches of the law, and report these to TPR if required?

Please select one answer only

1. Yes
2. No
3. Don't know

H5. ANSWER IF ANY BREACHES OF THE LAW NOT RELATED TO ANNUAL BENEFIT STATEMENTS HAVE BEEN IDENTIFIED IN THE LAST 12 MONTHS (H2=1)

In the last 12 months, have you reported any breaches to TPR as you thought they were materially significant? Please do not include any breaches that related to annual benefit statements.

Please select one answer only

1. Yes
2. No
3. Don't know

SECTION I – GOVERNANCE AND ADMINISTRATION

The next set of questions is about your progress in addressing governance and administration issues.

I1. EVERYONE TO ANSWER

What do you believe are the top three factors behind any improvements made to the scheme's governance and administration in the last 12 months?

Please select up to three options below

1. Improved understanding of underlying legislation and standards expected by TPR
2. Improved engagement by TPR
3. Improved understanding of the risks facing the scheme
4. Resources increased or redeployed to address risks
5. Administrator action (please specify):
6. Scheme manager action (please specify):
7. Pension board action (please specify):
8. Other (please specify):
9. No improvements made to governance/administration in the last 12 months
10. Don't know

I2. EVERYONE TO ANSWER

What are the main three barriers to improving the governance and administration of your scheme over the next 12 months?

Please select up to three options below

1. Lack of resources or time
2. Complexity of the scheme
3. The volume of changes that are required to comply with legislation
4. Recruitment, training and retention of staff and knowledge
5. Lack of knowledge, effectiveness or leadership among key personnel
6. Poor communications between key personnel (board, scheme manager, administrator, etc.)
7. Employer compliance
8. Issues with systems (IT, payroll, administration systems, etc.)
9. The McCloud judgement
10. Other (please specify):
11. There are no barriers
12. Don't know

SECTION J – PERCEPTIONS OF TPR

The final set of questions is about your views of TPR.

J1. EVERYONE TO ANSWER

Thinking about your overall perception of TPR, to what extent do you agree or disagree with the following words as ways to describe TPR?

Please select one answer per row

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
a) Tough	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Efficient	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Visible	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Fair	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Respected	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Evidence-based	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Decisive	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Clear	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i) Approachable	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

J2. EVERYONE TO ANSWER

Thinking now about how TPR operates, how effective do you think it is at improving standards in scheme governance and administration in public service pension schemes?

Please select one answer only

1. Very effective
2. Fairly effective
3. Neither effective nor ineffective
4. Not very effective
5. Not at all effective
6. Don't know

J3. EVERYONE TO ANSWER

To what extent do you agree or disagree with the following statements?

Please select one answer per row

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
a) TPR is effective at bringing about the right changes in behaviour among its regulated audiences	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) TPR is proactive at reducing serious risks to member benefits	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION K – ATTRIBUTION

Thank you for completing this survey. Your responses will help TPR understand how schemes are progressing and any issues they may face, which will inform further policy and product developments. Before you submit your answers, there are just a few more questions about your survey responses.

K1. EVERYONE TO ANSWER

Which of the following best describes your role within the pension scheme?

Please select one answer only

1. Scheme manager*
2. Representative of the scheme manager
3. Pension board chair
4. Pension board member
5. Administrator
6. Other (please specify):

**In this survey 'scheme manager' refers to the definition within the Public Service Pensions Act, e.g. the Local Authority, Fire and Rescue Authority, Police Pensions Authority, Secretary of State/Minister or Ministerial department.*

K2. EVERYONE TO ANSWER

What other parties did you consult with to complete this survey?

Please select all the options that apply

1. Scheme manager
2. Representative of the scheme manager
3. Pension board chair
4. Pension board member
5. Administrator
6. Other
7. Did not consult with any other parties

K3. EVERYONE TO ANSWER

To inform TPR's engagement going forward, they would like to build an individual profile of your scheme by linking your scheme name to your survey answers. This will only be used for internal purposes by TPR and your scheme name would not be revealed in any published report.

Are you happy for your responses to be linked to your scheme name and supplied to TPR for this purpose?

Please select one answer only

1. Yes, I am happy for my responses to be linked to my scheme name and supplied to TPR for this purpose
2. No, I would like my responses to remain anonymous

K4. EVERYONE TO ANSWER

And would you be happy for the responses you have given to be linked to your scheme name and shared with the relevant scheme advisory board? This is to help inform the advisory boards of areas for improvement and to further their engagement with pension boards.

Please select one answer only

1. Yes, I am happy for my responses to be linked to my scheme name and shared with the relevant advisory board
2. No, I would like my responses to remain anonymous

K5. EVERYONE TO ANSWER

TPR may conduct some follow up research on this topic to improve their advice and engagement with schemes such as yours. Would you be willing for us to pass on your name, contact details and relevant survey responses to them so that they, or a different research agency on their behalf, could invite you to take part?

You may not be contacted and, if you are, there is no obligation to take part. Your contact details will be stored for a maximum duration of 12 months, before being securely destroyed.

Please select one answer only

- 1. Yes, I am happy to be contacted for follow-up research
- 2. No, I would prefer not to be contacted for follow-up research

K6. EVERYONE TO ANSWER

Please record your name below. This is just for quality control purposes and will not be passed on to TPR (unless you have agreed that they can contact you for follow-up research).

Please write in below

.....

K7. EVERYONE TO ANSWER

Finally, please use the space below if you have any other comments or would like to clarify/ explain any of the answers you have given.

Please write in below if applicable

.....
.....
.....
.....
.....
.....
.....

Thank you. Please now submit your responses through the [online survey link](#) contained in your invitation email. If you have any queries or technical issues please contact James Murray (Director, OMB Research) at james.murray@ombresearch.co.uk or on 01732 220582.



OFFICIAL

Local Pension Board training - requirements

Local Pension Board

Date: 31 January 2020

Agenda Item:

14

Submitted By: Chief Legal and Governance Officer

Purpose	To advise Members of the Local Pension Board of the requirements as confirmed by the Local Government Association in respect of Member training.
Recommendations	That the report be noted and that it be confirmed that all Members have undertaken the necessary training.
Summary	It is requirement that Members of the Local Pension Boards (LPB's) are adequately trained to ensure they have sufficient knowledge of the respective Pension Schemes to undertaken their role as Members of the LPB. This report advises of the requirements established by the Local Government Association (LGA) and invites Members to complete The Pensions Regulator (TPR) online training.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicky Houseman, Committee Services Manager
E: nicky.houseman@westyorksfire.gov.uk
T: 01274 655740

Background papers open to inspection: None

Annexes: None

1 Introduction

- 1.1 It is requirement that Members of the Local Pension Boards (LPB's) are adequately trained to ensure they have sufficient knowledge of the respective Pension Schemes to undertaken their role as Members of the LPB.

2 Information

- 2.1 Advice has been sought from the Local Government Association with regard to its specific expectations of Members learning. Completion of the relevant training would allow this Local Pension Board to submit full compliance figures as required by the Scheme Advisory Board.
- 2.2 The LGA recommends the following to ensure full compliance with training requirements for Members of the Board;
- completion of The Pensions Regulator online training
 - attendance at regular Board meetings
 - awareness of legislative changes (included as a standard item on this Board's agenda)
 - receipt of copies of the monthly bulletins (these are circulated to Members on receipt and discussed in detail as appropriate at the next subsequent meeting of the Board)
 - receipt of the free Board training as provided by the LGA (our Members receive regular annual training), and
 - review of recent Ombudsman decisions (included as a standard item on this Board's agenda and inclusive of other relevant cases not specific to Firefighter Pension Schemes)
- 2.3 Members are invited to participate in an additional training session on the date of this meeting.

3 Financial Implications

- 3.1 There are no financial implications arising directly from this report. All training has been supplied free of charge by the LGA or is available on The Pension Regulator website.

4 Legal Implications

- 4.1 The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

5 Human Resource and Diversity Implications

- 5.1 There are no human resources implications arising directly from this report.

6 Health, Safety and wellbeing implications

- 6.1 There are no health, safety and wellbeing implications arising directly from this report.

7 Your Fire and Rescue Service priorities

- 7.1 Keeping Members fully trained confirms their acquisition of knowledge and learning as required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

8 Environmental implications

- 8.1 There are no environmental implications arising directly from this report.