



OFFICIAL

Local Pension Board - Appointment of Chair and Vice chair 2018 - 19

Local Pension Board

Date: 6 July 2018

Agenda Item:

1

Submitted By: Chief Legal and Governance Officer

Purpose	To appoint a Chair and Vice Chair of the Local Pension Board for 2018 – 19 in accordance with the Terms of Reference.
Recommendations	That appointments be made to the positions of Chair and Vice chair of the Board.
Summary	It is a requirement of the Terms of Reference that appointments to the positions of Chair and Vice chair of the Local Pension Board be made on an “annual rotational basis”. This report invites members to make the relevant appointments from the membership.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: None

1 Introduction

- 1.1 It is a requirement of the Local Pension Board Terms of Reference that appointments to the positions of Chair and Vice chair be made on an “annual rotational basis”. This report invites members to make the relevant appointments.

2 Information

- 2.1 Chair of the Board in 2017 – 18 was Councillor Peter Harrand as Scheme Manager representative with Paul Drinkwater as Vice chair representing Scheme Members.

- 2.2 In accordance with the requirement to rotate on an annual basis the posts will be as follows for 2018 – 19;

Chair Scheme Member representative

Vice chair Scheme Manager representative

- 2.3 Nominations are invited from the membership for appointment to the posts.

3 Financial Implications

- 3.1 There are no direct 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 of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

5 Human Resources and Diversity Implications

- 5.1 There are no direct equality and diversity implications arising from this report.

6 Health and Safety Implications

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

7 Service Plan Links

- 7.1 Provide effective and ethical governance.



OFFICIAL

Local Pension Board Terms of Reference - annual review

Local Pension Board

Date: 6 July 2018

Agenda Item:

7

Submitted By: Chief Legal and Governance Officer

Purpose	To review the Terms of Reference for the Local Pension Board.
Recommendations	That the report be noted and proposals for amendment made as required.
Summary	<p>In preparation for the establishment of the Local Pension Board on 1 April 2015, the Authority's Human Resources Committee approved the draft Terms of Reference at its meeting held on 23 January 2015 which were subsequently reviewed and amended in July 2016. A further review was undertaken in July 2017 when it was resolved that the Terms of Reference adequately reflected the purpose of the Local Pension Board and that no amendments were required.</p> <p>It is a requirement that the Terms of Reference be reviewed on an annual basis.</p>

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Terms of Reference – Local Pension Board

1 Introduction

- 1.1 This report invites Members to review of the Local Pension Board Terms of Reference.

2 Information

- 2.1 The Local Pension Board Terms of Reference have been kept under review since its establishment in April 2015. A copy of the Terms of Reference is attached at Annex A.
- 2.2 At the 12 January 2018 meeting of the Board it was resolved that consideration be given by the Human Resources committee to a change in the Terms of Reference (see Minutes at agenda item 6.). This matter was the subject of an agenda item at the Human Resources Committee meeting held on 13 April 2018, when it was resolved as follows;

“That no recommendation be made to the full Authority for an amendment to the Terms of Reference for the Local Pension Board in respect of the issues raised in the report now submitted.”

- 2.3 It is a requirement of the Board that the Terms of Reference be reviewed on an annual basis. The last review was in the 2017 – 18 municipal year (January 2018). Members are now invited, therefore, to consider the Terms of Reference for the 2018 – 19 year and note that amendment to will be included in the Local Pension Board’s Constitution document and will require formal approval from the Fire Authority.

3 Financial Implications

- 3.1 There are no direct 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 of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

5 Human Resources and Diversity Implications

- 5.1 There are no direct equality and diversity implications arising from this report.

6 Health and Safety Implications

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

7 Service Plan Links

- 7.1 Provide effective and ethical governance.

West Yorkshire Fire and Rescue Authority

Local Pension Board

Terms of Reference

Function and Responsibilities

The function of the Local Pension Board is to assist the Scheme Manager (West Yorkshire Fire and Rescue Authority) in administering the various firefighter pension schemes. This will be achieved by providing governance and by scrutiny of policies, pension documentation, decisions and outcomes.

The Local Pension Board will also assist the Scheme Manager to:

- secure compliance with the Regulations, any other legislation relating to the governance and administration of the Schemes, and requirements imposed by the Pensions Regulator in relation to the Schemes and;
- ensure the effective and efficient governance and administration of the Schemes

Duties of the Board

The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of these duties Board members:

- should act always in the interests of the Scheme and not seek to promote the interests of any stakeholder group above another
- should be subject to and abide by the Local Pension Board approved code of conduct

Frequency of meetings

The WYFRA Local Pension Board will meet six monthly (July and January in each municipal year), to review / report on previous actions and determine work streams and priorities for the future.

The Chair of the Board, with the consent of the Board membership, may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

Local Pension Board membership

To comply with the regulations the Board must have a minimum of four members (two Scheme Member representatives and two Scheme Manager representatives). A Local Pension Board membership of four is the most straight forward and cost effective way of providing the Local Pension Board and complying with the Regulations.

Membership of the West Yorkshire Fire and Rescue Authority Local Pension Board will be:

2 X Scheme Member representatives

2 X Scheme Manager representatives (elected Members)

Non-voting Officer Advisor(s) as appropriate

Scheme Manager (elected Member) representation on the Board will be determined by the Fire Authority at its Annual Meeting (or as otherwise required).

The Officer Advisor will be a specific officer who is to assist the Board in gathering/analysing information and writing reports. The Board will also be able to request assistance from any officer who has specific knowledge of a subject matter they are investigating.

Scheme Member representatives

Scheme Member representatives shall be appointed to the Board on an annual basis (or as otherwise required) by the Executive Committee of the West Yorkshire Fire and Rescue Authority following a formal application process.

Scheme Member representatives will be active, deferred or retired members of one of the firefighter pension schemes administered by WYFRA.

Scheme Member representatives should be able to demonstrate

- their capacity to represent pension scheme members
- capacity to attend and complete the necessary preparation for meetings, and
- capacity to participate in training as required

Scheme Manager representatives

Scheme Manager representatives shall be appointed on an annual basis to the Board at the Annual Meeting of the Authority (or as otherwise required)

Scheme Manager representatives with delegated responsibility for discharging the Scheme Manager function of WYFRA may not serve as Scheme Manager representatives on the Board.

Scheme Manager representatives should be able to demonstrate

- their capacity to represent the Scheme Manager
- capacity to attend and complete the necessary preparation for meetings, and
- capacity to participate in training as required

Appointment of Chair and Vice chair

Local Pension Board Members will act as the Chair and Vice- chair on an annual, rotational basis ie. when a Scheme Manager representative is appointed Chair of the Board, the position of Vice chair will be filled by a Scheme Member representative and vice versa on an annual basis.

Notification of appointments

On appointment to the Board, WYFRA shall publish the name of the appointees, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Board.

Objectives

WYFRA Local Pension Board should consider the following:

- Are pension statements timely and accurate?
- How long does it take between retirement and receipt of pension?
- The number of errors made by the pension administrator.
- Are relevant policies in place and of a sufficient standard?
- Are pension estimates accurate and timely?
- Is the West Yorkshire Pension Fund (WYPF) website accurate and user friendly?
- Ensure that annual CARE scheme calculations are being carried out.
- Scrutinise data quality.
- Ensuring pension rules and regulations are being complied with, when officers are making decisions on pension matters.
- If complaints/appeals are being dealt with correctly and the correct procedures being followed.
- Review internal audit reports

This list is not exhaustive. The Local Pension Board will have the power to investigate anything it wishes in relation to the firefighters' pension schemes within WYFRS.

Conduct and Conflict of interest

Members of the Board are responsible for ensuring that their board membership does not result in any conflict of interest with any other posts they hold.

All members of the Board must declare to WYFRA on appointment and at any such time as their circumstances change any potential conflict of interest arising as a result of their position on the Board. On appointment to the Board and following any subsequent declaration of potential conflict WYFRA shall ensure that any potential conflict is effectively managed in line with both the internal procedures of WYFRA and the requirements of the Pensions Regulator's codes of practice on conflict of interest for Board members.

Members of the Board must not use their membership for personal gain.

Gifts and hospitality should only be accepted with the permission of the Authority - any gifts accepted should be reported on in the Local Pension Board's annual report.

Members of the WYFRA Local Pension Board should maintain confidentiality when discharging their duties.

The WYFRA Local Pension Board has the right to use WYFRA facilities and resources in the course of discharging its duties.

Knowledge and understanding (including Training)

Knowledge and understanding must be considered in light of the role of the Board to assist WYFRA as detailed above. The Board should establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to Board members. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.

Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding policy and framework. Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

Term of office

Term of Office should be in accordance with the committee cycle in WYFRA

Board membership may be terminated prior to the end of the term of office due to:

- A Scheme Member representative no longer holding the office or employment or being a member of the body on which their appointment relied
- A Scheme Manager representative no longer holding the office or employment or being a Member on which their appointment relied
- The representative no longer being able to demonstrate their capacity to attend and prepare for meetings or to participate in required training

Board Members may be re-appointed for more than one term of office following an approved appointment / nomination process.

Reporting

The West Yorkshire Local Pension Board will produce an Annual Report which will highlight areas of concern and identify good practice.

The report will also contain information on the number of retirements (natural and ill health), new starters, membership and opt-out numbers.

The Board will report to the Human Resources Committee.

Resourcing and funding

Members of the WYFRA Local Pension Board will be entitled to claim any reasonable out of pocket expense incurred through discharging their Local Pension Board responsibilities.

The Board will not have a dedicated budget. Requests for finance to purchase technical assistance, Board member training and anything else the Board may require to effectively discharge its duties will be made through the WYFRA Finance and Resources Committee.

Quorum

A meeting is only quorate when three Board members are present (including either the Chair or Vice chair).

Voting

The Chair shall determine when consensus has been reached. There will be no casting vote.

Where consensus is not achieved this should be recorded by the Chair.

Relationship with West Yorkshire Fire and Rescue Authority

In support of its core functions the Board may make a request for information to WYFRA with regard to any aspect of the Scheme Manager function. Any such a request should be reasonably complied with in both scope and timing.

In support of its core functions the Board may make recommendations to WYFRA which should be considered and a response made to the Board on the outcome within a reasonable period of time.



OFFICIAL

Local Pension Board - Annual Report 2017 - 18

Local Pension Board

Date: 6 July 2018

Agenda Item:

8

Submitted By: Chief Legal and Governance

Purpose To receive the Annual Report for the Local Pension Board 2017 – 18.

Recommendations That the Annual Report for the Local Pension Board 2017 – 18 be noted.

Summary It is a requirement that the Local Pension Board produces an Annual report each year setting out activity during the course of the previous year.

The report has been formally submitted to the Human Resources Committee for approval on 6 July 2018. Members will be verbally updated of any comments made at that meeting which may require amendment(s) to the Annual Report.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Local Pension Board Annual report 2017 – 18 (final version)

1 Introduction

- 1.1 The Local Pension Board is required to submit an Annual Report for formal ratification by West Yorkshire Fire and Rescue Authority's Human Resources Committee as set out in its Terms of Reference.

2 Information

- 2.1 The draft Annual Report was submitted to the Board for comment at its meeting held on 12 January 2018 with subsequent amendments agreed at an extraordinary meeting held on 12 June 2018..
- 2.2 It was agreed that the Report be submitted to the Human Resources Committee for formal ratification. The Report was submitted to the 6 July 2018 meeting of the Committee.
- 2.3 A verbal update will be given at the meeting to advise of the decision of the Human Resources Committee as detailed at paragraph 2.2

3 Financial Implications

- 3.1 There are no direct 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 of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

5 Human Resources and Diversity Implications

- 5.1 There are no direct equality and diversity implications arising from this report.

6 Health and Safety Implications

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

7 Service Plan Links

- 7.1 Production of the Annual Report and its submission for formal ratification by the Human Resources Committee supports the Authority's priority of effective and ethical governance.



West Yorkshire
Fire & Rescue Service

LOCAL PENSION BOARD

Annual Report 2017 - 2018

OFFICIAL

Ownership: Legal and Governance

Date Issued: 27 June 2018

Version: 2

Status: Draft



Revision and Signoff Sheet

Change Record

Date	Author	Version	Comments
06/12/2017	Claire Johnson – Pensions Officer	V.1 - draft for consideration by Local Pension Board	To submit to Human Resources Committee for formal ratification – July 2018
07/06/18	Nicola Houseman – Committee Manager	V2. - updated	Correct version to go to HR Committee

Reviewers

Name	Version Approved	Position	Organisation	Date
Nicola Houseman	V2	Committee Manager	WYFRA	07/06/18

Distribution

Name	Position	Organisation
Local Pension Board		West Yorkshire Fire and Rescue Authority – 12 January 2018
Human Resources Committee		7 July 2018

Document Properties

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Document Title	LOCAL PENSION BOARD
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1 Foreword

The purpose of this Annual report is to provide a source of information about the status of West Yorkshire Fire and Rescue Authority Local Pension Board for Scheme members and for the Scheme Manager together with a summary of issues considered in the relevant period (1 April 2017 – 31 March 2018)

In accordance with Section 5 and s.30 (1) of the Public Service Pensions Act 2013 and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the West Yorkshire Fire and Rescue Authority Local Pension Board was established in February 2015 to provide advice on the effective and efficient administration and management of the various firefighter pension schemes.

[The Local Government Pension Scheme for Green Book employees is monitored by a separate Local Pension Board established by the West Yorkshire Local Government Pension Scheme and does not form part of this Annual Report].

The Report includes commentary on the following;

- A summary of the work undertaken by the Local Pension Board during 2017 – 18
- Detail of areas investigated and how these areas were dealt with
- Any conflicts of interest and how these were managed
- Any identified risks and other areas of potential concern
- Any expenses and costs incurred by the Board
- Gifts and hospitality received by members of the Board
- Training for Board members

Information has also been categorised in parts of this Annual Report on the basis of the following Classifications

Classification	Action
	Outstanding
	Partially complete
	Complete

2 Membership and meetings of the Board

2.1 The West Yorkshire Fire and Rescue Authority Local Pension Board comprises 4 members as follows;

2 x Scheme Member representatives (Paul Drinkwater and Stuart Wilson)

2 x Scheme Manager representatives (Councillor Peter Harrand – Chair and Bryan Smith)

(plus Non-voting Officer Adviser(s) as appropriate)

2.2 The Board has met on 2 occasions in the 2017 – 18 year in accordance with the Terms of Reference.

3 Work undertaken by the West Yorkshire Fire and Rescue Authority Local Pension Board 2017 – 18

- 3.1 The West Yorkshire Fire and Rescue Authority adopted Terms of Reference for the Local Pension Board on 20 February 2015. Following 12 months' operation and to reflect further national guidance received about the Board's role and remit, the Terms of Reference were amended and approved at the 24 June 2016 meeting of the Fire Authority. The work undertaken by the Board during the course of the year has been defined by these (amended) Terms of Reference.
- 3.2 An external appointment was made in respect of membership of the Scheme Advisory Board sub-committee (Ensuring the effectiveness of Local Pension Boards) as follows;
- Stuart Wilson (Scheme member representative)
- 3.3 During the period 1 April 2017 – 31 March 2018 the following items were also considered by the Board;
- Updates on the work and levy associated with the national Scheme Advisory Board (SAB) & its sub-committee (Ensuring the effectiveness of the Local Pension Board) - included a visit by SAB Chair, Malcolm Eastwood.
 - Annual review of the Corporate Risk Register
 - Pension Fund – Key Performance Indicators and corporate risks
 - Discretions made by the Scheme Manager
 - annual benefit statements
 - views on progress from the Pensions Regulator 2018
 - Review of Terms of Reference
 - General Data Protection Regulations (GDPR) – overview of key changes
- 3.4 Each Activity report includes detail on the number of;
- pension scheme members across the various schemes
 - number of new scheme members
 - retirees
 - pensioner members
 - deferred members
 - IDRPs stage 1 and 2 complaints
 - Opt-outs
- 3.5 Each agenda also includes the following standing items;
- legislative update
 - compliance and complaints (part of Activity report)
 - Pensions ombudsman cases (see section 9.)

4 Specific investigations and Board resolutions

- 4.1 A summary of the areas considered during 2016 – 17 which warranted further investigation and action and the relevant outcomes are detailed in the table below.

Meeting	Summary	Outcome / resolution	Completed
7 July 2017	Activity report –opt outs to be recorded between Pension Schemes and with demographics	Included in standing report	
	Scheme Advisory Board (SAB) update	Guidance on purpose of the Local Pension Board to be circulated	
	West Yorkshire Pension Fund – key performance indicators	Information to be included in reports where targets not being met with indication of longest outstanding cases	Now a standing item
	Pension risk register	To be a standing item	
12 January 2018	Pension options chosen by new recruits	Report required	
	Terms of reference	Proposals to amend	
	WYPF monthly statistics inconsistent	WYPF to be requested to submit monthly statistics together with a running total for the year	
	Chair of Scheme Advisory Board to be invited to July 2017 meeting	Invitation sent via Clair Alcock, LGA Firefighters' Pension Adviser, on 26 January 2017	

5 Conflicts of interest

- 5.1 As statutorily required, members of the Local Pension Board complete a Declaration of Interests. The register is maintained by the West Yorkshire Fire and Rescue Authority Committee Services section. Members of the Board reviewed their Declarations in July 2017.
- 5.2 There have been no declarations made by any member, adviser or attendee at any meeting of the Board during the relevant period.

6 Identified Risks and areas of concern

- 6.1

Meeting	Summary of risk	Outcome / resolution	Completed
4 December 2015	Ongoing pension dispute	Noted	
7 July 2017	Appeal regarding pension transition arrangements	To be added to the Corporate Risk Register	

- 6.2 IDRPs Stage 1 and 2 complaints are included as appropriate in the Activity report at each meeting of the Board.

7 Expenses and Costs

- 7.1 Approval was sought from the Scheme Manager in August 2017 for the attendance of a member of the Local Pension Board and Technical Advisor at a training session in London. The training was provided by LGA and funded by the SAB Levy. The only cost to the Authority was for transport, the train tickets for both delegates totalled £440.
- 7.2 Approval was sought from the Scheme Manager in September 2017 for the attendance of a member of the Local Pension Board and Technical Advisor at the Annual Firefighters' Pension Conference in London. Again the training was provided by LGA and funded by the SAB Levy. The only cost to the Authority was for transport, the train tickets totalled £266.71.
- 7.3 There has been no additional expenditure or costs incurred within the relevant period for the administration of the Board.

8 Gifts and Hospitality

- 8.1 There have been no declarations of gifts or hospitality received by Members of the Local Pension Board during the relevant period.

9 Training

- 9.1 It is a statutory requirement of the Public Service Pensions Act 2013 that members of the Local Pension Board should have the capacity to become conversant with, and develop a knowledge of, detailed related issues in order to effectively carry out their duties.
- 9.2 The following training has been provided during the course of the year to Local Pension Board members;
- Pensions Regulator e-learning package
 - Tax training seminars
 - Bulletins from LGA Pension Advisory Service
 - LGA National training programme
- 9.3 There was also attendance by a Local Pension Board member at the Firefighters' Pension Conference in November 2017.
- 9.4 One standing item on the Local Pension Board agendas is consideration of relevant Pension Ombudsman cases. The summaries provided and Ombudsman decisions serve as a learning tool for LPB members.
- 9.5 During the course of the year, the following cases were reviewed;
- 9.5.1 Mr S – Misquote/misinformation (LPFA/LFEPA)
- 9.5.2 Mr H – Misquote/misinformation (HWFA/WCC)
- 9.5.3 Mr N – Incorrect calculation (WYFRS)

10 **Legislative updates**

10.1 As a statutory requirement, members of the Local Pension Board have been provided with regular legislative updates.

10.2 The following have been provided during the relevant period;

- Employee Contributions Holiday 1992 FFPS
- Ill health injury compensation pensions – Tax issues
- legal challenge – transitional protections 2015 FFPS
- Voluntary scheme pays



OFFICIAL

Local Pension Board Activity Report

Local Pension Board

Date: 6 July 2018

Agenda Item:

9

Submitted By: Chief Employment Services Officer

Purpose	To inform Members of performance in key areas for the period 1 December 2017 to 31 May 2018
Recommendations	That Board members note performance in key areas related to the Local Pension Board for the period 1 December 2017 to 31 May 2018
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:
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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 IDRP 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 31 May 2018

1992 Fire fighters Pension Scheme	223
2006 Fire Firefighters Pension Scheme	8
2015 Firefighters Pension Scheme	769
Fire Fighters Modified Scheme	30

2.2 Number of pensioner members of each scheme at 31 May 2018

1992 Fire fighters Pension Scheme	2331
2006 Fire Firefighters Pension Scheme	9
2015 Firefighters Pension Scheme	2
Fire Fighters Modified Scheme	30

2.3 Number of deferred members of each scheme at 31 May 2018

1992 Fire fighters Pension Scheme	106
2006 Fire Firefighters Pension Scheme	96
2015 Firefighters Pension Scheme	61
Fire Fighters Modified Scheme	18

2.4 Number of 1992 FPS Scheme members with tapered protection

At 31 May 2018, there are **123** 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 31 May 2018, there are **10** 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 December 2017 to 31 May 2018, there has been **55** 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 - 25	11	2
26 - 30	18	0
31 - 35	9	1
36 - 40	12	1
41 - 45	1	0
46 - 50	0	0
51 - 55	0	0
56 - 60	0	0
61 - 65	0	0
Total	0	0

2.7 Number of retirees in the period

In the period 1 December 2017 to 31 May 2018, **41** members have retired to pension.

2.8 Number of IDRPs stage 1 and 2 complaints

In the period 1 December 2017 to 31 May 2018, there have been **0** IDRPs complaints at stage 1 and **1** at stage 2.

2.9 Number of Opt Outs from the pension schemes

In the period 1 December 2017 to 31 May 2018, **6** members opted out of the pension scheme. This can be broken down into the following demographic:

Age	92 FPS	2006 NFPS	2015 CARE Scheme
18 - 25	0	0	2
26 - 30	0	0	1
31 - 35	0	0	2
36 - 40	0	0	1
41 - 45	0	0	0
46 - 50	0	0	0
51 - 55	0	0	0
56 - 60	0	0	0
61 - 65	0	0	0
Total	0	0	
Male	Female		
5	1		

2.10 Pension Opt Out Data on January 2018 Wholetime Recruitment Course

Age	Scheme Member	Opt Out
18 - 20	0	0
21 - 25	6	1
26 - 30	6	1
31 - 35	5	0
36 - 40	5	0

Male	Female
24	0

3 Pension Estimates

Number of pension estimates processed for the period 1 December 2017 to 31 May 2018 - **278**



OFFICIAL

Legislative update

Local Pension Board

Date: 6 July 2018

Agenda Item:

10

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

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Background papers open to inspection: None

Annexes: Annex 1 – Transitional Protections – Legal Challenge
Annex 2 – GDPR
Annex 3 – Ill Health Injury Compensation Pension – Tax Issues

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 related to the 2015 Firefighters' Pension Scheme
- GDPR
- Ill health injury compensation pension – tax issues

3 Financial Implications

- 3.1 There are Financial implications arising directly from this report. However, the true extent of this has not yet been measured.

4 Legal Implications

- 4.1 There are no Legal implications arising directly from this update.

5 Human Resource and Diversity Implications

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

6 Health and Safety 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".



Matt Wrack General Secretary

Fire Brigades Union

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fbu.org.uk | @fbunational
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Circular: 2018HOC0073MW

30 January 2018

TO: All Members

Dear Brother/Sister

Pensions: Age Discrimination Appeal

You will be aware that in a case brought by the Fire Brigades Union, the Employment Tribunal decided last year that the transitional arrangements made in 2015 when the new firefighters' pension scheme was introduced did not discriminate against younger firefighters on the grounds of age. I am pleased to be able to let you know that the Employment Tribunal's decision has now been overturned by the Employment Appeal Tribunal (EAT).

The case will now be returned or 'remitted' to the Employment Tribunal, which will have to weigh up properly the Government's alleged need to implement the 2015 transitional arrangements against the damage that they did to firefighters who missed out on protection just because of their age. The EAT agreed with our argument that the Employment Tribunal had to conduct this balancing exercise and failed to do so.

In a parallel decision also handed down today, the EAT dealt with the similar transitional arrangements made with the new pension scheme for judges created in 2015. In the judges' case, the Employment Tribunal *did* analyse the damage that the new arrangements did to younger judges and found that the balance did not justify the imposition of transitional arrangements. The EAT has upheld that decision. Because the judges' Employment Tribunal had conducted the balancing exercise (and found against the Government), there is no need to remit their case to the Employment Tribunal.

The EAT also agreed with our argument that the transitional arrangements potentially discriminate on the grounds of sex and race because female and B&EMM members are disproportionately likely to be younger. That issue has also been remitted to the Employment Tribunal for further consideration.

The EAT did not agree with all of our case. We said (and so did the judges) that making transitional arrangements that favour members just because they are nearer to retirement can never be a legitimate aim and can never be justified – being 'nearer to retirement' is just another way of saying 'older'. The judges won this point in the Employment Tribunal, but that part of their decision has now been overturned by the EAT. So far as the judges are concerned that does not matter. They won overall because of the balancing issue mentioned above.

What this means is that, as matters stand, we would end up in the Employment Tribunal on the basis that the Government is entitled to protect the position of older firefighters but not their younger co-workers, and our criticism of the Government's position would have to be limited to challenging the unfairness of the impact on unprotected firefighters. We have presented a legal case based on the argument that the Government is not entitled to protect some firefighters and not others if the distinction is age, no matter how the line is drawn.

The Government says it intends to appeal our case and the judges'. We will use this opportunity to appeal on the legitimate aim issue mentioned above because if we are successful on that, there is no need to balance the Government's aims against the damage they caused to younger members at all.

This is sure to be a long hard fight. We remain confident in our arguments and although we cannot give any guarantees, the decisions of the EAT enable us to continue with our challenge.

We will be discussing all these issues in the coming days and members will be kept updated.

Best wishes.

Yours fraternally

A handwritten signature in black ink that reads "M. Wrack". The signature is written in a cursive, slightly slanted style.

Matt Wrack
General Secretary



Information

Q&A for members of the Firefighters Pension Schemes

What is the GDPR?

The General Data Protection Regulation (GDPR) is a new set of European Union (EU) regulations due to come into force on 25 May 2018. It will change how organisations process and handle data, with the key aim of giving greater protection and rights to individuals.

What laws currently govern data protection in the UK?

Currently in the UK the Data Protection Act 1998 sets out how your personal information can be used by companies, government and other organisations. The GDPR will replace the Data Protection Act 1998 when it comes into force on 25 May 2018.

Will the GDPR still apply to the UK after Brexit?

The UK is in the process of implementing a new Data Protection Bill which largely includes all the provisions of the GDPR. There are some small differences, but once the Bill has passed through Parliament and become an Act, UK law on data protection will largely be the same as that of the GDPR.

So what's new?

There are new and extended rights for individuals in relation to the personal data an organisation holds about them, for example, an extended right to access and a new right of data portability. You can obtain further information about these rights from the Information Commissioner's Office at: www.ico.org.uk or via their telephone helpline (0303 123 1113).

In addition, organisations will have an obligation for better data management and a new regime of fines will be introduced for use when an organisation is found to be in breach of the GDPR.

What are the main principles of the GDPR?

The GDPR states that personal data must be:

- processed lawfully, fairly and in a transparent manner
- collected only for specified, explicit and legitimate purposes
- adequate, relevant and limited to what is necessary
- accurate and kept up to date
- held only for the absolute time necessary and no longer
- processed in a manner that ensures appropriate security of the personal data.

What is personal data?

The GDPR applies to 'personal data' meaning any information relating to an identifiable person who can be directly or indirectly identified in particular by reference to an identifier.

This definition provides for a wide range of personal identifiers to constitute personal data, including name, identification number, location data or online identifier, reflecting changes in technology and the way organisations collect information about people.

Who is responsible for my personal data in the Firefighters Pension Scheme?

Each Fire Authority is considered to be a Data Controller for pension scheme data and as such determines how, and for what purposes, data is to be processed. Typically administration is carried on each Fire Authority's behalf by an external pensions administrator. However the administrator is considered to be a Data Processor and processes the data on the instructions of the Fire Authority. This means that ultimately your Fire Authority has responsibility for your pension scheme data.

How will the GDPR affect members of the Firefighters' Pension Scheme?

Your Fire Authority and the pension administrators will already have procedures in place which comply with similar data protection principles under the Data Protection Act 1998. The new regulations will reinforce these existing requirements, and members of the Firefighters' Pension Schemes are unlikely to notice a change in the service they receive from their pension provider.

How will members know that their Fire Authority and pension administrators are GDPR compliant?

Both data controllers and processors will be required to update their privacy notice in line with the new requirements setting out, among other things, why certain data is held, the reason for processing the data, who they share the data with and the period for which the data will be retained. Within the notice, members will also be provided with additional information about their rights under the legislation.

Why do pension administrators hold personal data?

Pension administrators require various pieces of personal data provided by both the individual member and the Fire Authority in order to administer the pension scheme. This data includes, but is not limited to, names, addresses, National Insurance numbers and salary details which are required to maintain scheme records and calculate member benefits.

Who do Fire Authorities and pension administrators share personal data with?

On occasion, Fire Authorities and pension administrators are required to share personal data with third parties in order to meet regulatory and government requirements, to gather necessary information for the accurate payment of member benefits and to ensure scheme liabilities are met. Each Fire Authority's privacy notice will set out who they share data with; this is likely to include bodies such as Government Actuaries Department (GAD), Home Office and HMRC.

Can members of the Firefighters' Pension Schemes ask for their data to be deleted?

The GDPR provides individuals with the 'right to be forgotten' in certain limited circumstances. However, in practical terms the exercise of this right in relation to pension scheme data is limited as the deletion of data can prevent the Fire Authority from carrying out its duties. Pension providers are required to process personal data to comply with legal obligations under pension legislation, therefore, the 'right to be forgotten' is unlikely to apply to pension data held by your Fire Authority.

What happens if there is a data breach?

Data breaches are a rare occurrence within pension administration. However, should a security breach concerning a member's personal data occur that is likely to result in a risk to that member's rights and freedoms, there will be a direct obligation under the GDPR for the data controller (the Fire Authority) to inform the Information Commissioners Office within 72 hours of the breach taking place.

Firefighters' Pension Scheme

General Data Protection Regulation Privacy Notices

As confirmed in bulletin 7 (April 2018) the LGA Bluelight team commissioned Squire Patton Boggs to produce a template privacy notice for Fire Authorities as the data controller to use/adapt. These documents have now been uploaded to the [GDPR](#) page of www.fpsregs.org

The full privacy notice is intended to enable Fire Authorities in their capacity as data controller of personal data relating to the Firefighters Pension Scheme for which they are responsible, to satisfy their obligation under the General Data Protection Regulations ("GDPR") to inform affected individuals what personal data is held and how it is used for the purposes of the pension scheme.

As the documents confirm, the privacy notice will need to be tailored to the specific circumstances of each Fire Authority, taking into consideration appendix 1 of this document and the notes on the template privacy notice. The footnotes should be removed before this is published.

Where text appears in [square brackets] authorities must either insert/amend or delete text as appropriate. The text in square brackets is **highlighted yellow** to make it easier to identify.

The privacy notice can be accessed [here](#).

Privacy Notices

Privacy Notices are designed to give the subjects of data information about the data held about them, how it is used, their rights in relation to it and the safeguards that are in place to protect it.

It will be for Fire Authorities to determine their approach to privacy notices generally and more specifically across the whole range of employment issues.

Data controllers will be required to update their privacy notice in line with the new requirements setting out, among other things, why certain data is held, the reason for processing the data, who they share the data with and the period for which the data will be retained which is likely to be long-term. Within the notice, members will also be provided with additional information about their rights under the legislation.

Fire Authorities will need to liaise with their Pension Administrators regarding how they work together and communicate with active members, deferred and pensioners. The template can be adopted in full, modify it or develop their own.

For active members of the pension scheme, the privacy notice could be placed on the intranet and each active member emailed with a short message containing a link (as part of, or in a similar process to, the wider range of employment issues being communicated to the current workforce).

In relation to medical records, each Fire Authority will determine its approach depending on the material held, data flows, content, destruction policy etc. But something could be included in the general employment notice, specifying when medical details will be requested and what permission may need to be obtained to hold them.

For pensioners, Fire Authorities should consider communication via their Pension Administrator, Pension Portal and Pension payment notice.

For deferred members, where address details are old or uncertain, caution will need to be exercised to ensure sensitive data are not revealed to unintended recipients. So, initially, there may be a need to verify an individual's identity and personal details (NI number; date of birth) before sending further information.

Main Principles of GDPR

Under GDPR there are new and extended rights for individuals in relation to the personal data an organisation holds about them, for example, an extended right to access and a new right of data portability. In addition, organisations will have an obligation for better data management and a new regime of fines will be introduced for use when an organisation is found to be in breach of the GDPR.

The GDPR states that personal data must be:

- processed lawfully, fairly and in a transparent manner
- collected only for specified, explicit and legitimate purposes
- adequate, relevant and limited to what is necessary
- accurate and kept up to date
- held only for the absolute time necessary and no longer
- processed in a manner that ensures appropriate security of the personal data.

Application of GDPR to Pensions

Each Fire Authority is a Data Controller for pension scheme data and determines how, and for what purposes, data is to be processed.

In many cases administration is carried out on Fire Authorities behalf by an external pensions administrator, which may be a private contractor or a local or County Council pensions department. In these cases the administrator is considered to be a Data Processor and processes the data on the instructions of the Fire Authority. This means that ultimately the Fire Authority has responsibility for its pension scheme data.

GDPR is particularly relevant to pensions data because:

- Data is held for a long time, extending after the employment relationship ends
- It can include data about others, such as partners and children, which may be sensitive.
- There may be other sensitive data held about health conditions or reasons for leaving service
- It can include home address information, which is sensitive data in relation to both serving and former officers
- Because many pensions functions are outsourced, data flows extensively from Fire Authorities to administrators and returns back to the authority. From time to time, some data is shared with others, such as the Government Actuaries Department, with auditors or with HMRC.

GDPR is affecting forces across a wide range of activity, of which employment is only a part - and pensions are a smaller part of that part!

Essentially, the Fire Authority needs to ensure they are GDPR compliant in respect of pensions personal data. They can do this by:

- Mapping data flows and identifying risks
- Documenting personal data processing activities
- Updating policies and procedures to reflect GDPR requirements
- Issuing privacy notices in relation to pensions
- Reviewing and amending third party contracts to reflect GDPR requirements
- Putting a data breach notification procedure in place

May 2018

Further information for completion of the template

- You will need to insert the date of issue into the header and the name of the Fire Authority into the first paragraph.
- You will need to link to the web address
- Please consider whether any personal data other than that listed under “*What personal data we hold*” is held or processed. Please note that Article 9 of the GDPR applies different treatment to the processing of special categories of personal data (please see *Further Points* below).
- The suggested list of service providers will need to be tailored and completed. We have suggested whether a particular type of provider is a data processor or a data controller but this will need to be verified when the Fire Authority completes its data mapping exercise (to analyse what personal data is held in connection with the Scheme and how it is processed). The template reflects a reasonable view of whether entities are controllers or processors but this is a complex matter and Fire Authorities may wish to seek legal advice.
- Please note Article 14 sets out specific information obligations on the Fire Authority where it obtains information from a third party unless one of the exceptions under Article 14(5) apply. The Article 29 Working Party guidelines state that where possible specific sources of personal data should be listed – consider if any more need to be added (particularly any that a member might not generally be aware of).
- Tracing bureaux may consider themselves to be data controllers – the Fire Authority may wish to check this with each tracing bureau directly.
- This template assumes there are no joint controller relationships. If that is the case, this notice will require amendment as Article 26 requires joint controllers to have an “arrangement” between them setting out their respective responsibilities and that the “essence of the arrangement shall be made available to the data subject”.

Further points to be considered

Special Category Data

Explicit consent may be required in the processing of health data and ill health early retirement applications and any criminal convictions. This privacy notice does not seek such consent, which should be obtained at the time of any application. It should not generally be necessary to renew consents obtained under the Data Protection Act 1998 in respect of past ill health early retirement applications provided that the requirements of GDPR were complied with. However, legal advice should be taken. As a pragmatic approach, consider renewing consent when communicating with individuals about special category data collected prior to 25 May 2018.

Changes in Data

The Article 29 Data Protection Working Party guidelines state that, where information previously provided to data subjects (for example in privacy notices) is being updated to comply with the GDPR, it should be made clear to the data subjects that the changes have been made in order to comply with the GDPR – Fire Authorities may wish to consider the extent to which wording is included in the privacy notice in this regard.

Vulnerable Individuals and Children

Please note that this notice will not be suitable for issue to vulnerable individuals, including children. Fire Authorities may wish to take legal advice on what would be suitable to be supplied to vulnerable individuals.

Automated Decision Making

It is assumed that the Fire Authority or its advisers/service providers are not carrying out any automated decision making (including profiling). The Fire Authority should also be made aware that if they carry out automated decision making in the future then it is likely that further information will need to be provided to the individuals concerned and should take legal advice.

Information for New Members

In addition, the Fire Authority should conduct a separate review of the correspondence and documentation provided to members at the point in time that the personal data is requested, such as new joiner forms, and also consider how the privacy notice is incorporated into the data collection process.

Supplying Data to Others

This is suggested as a pragmatic approach in order to keep the Scheme's privacy notice as succinct and easy to understand as possible, rather than adding any specific information another data controller may ask the Fire Authority to include on its behalf. However, Fire Authorities should consult with their own providers. Data controllers will have their own, separate obligations under GDPR to provide a privacy notice to any Scheme members whose personal data they receive when providing services to the Scheme Manager. In practice it is likely the Fire Authority will be asked to assist with that process, either by sending the adviser's privacy notice to Scheme members or by including a link in the Fire Authority's own privacy notice to the adviser's website, where a copy of the adviser's privacy notice can be accessed. This link could be included within the table of current advisers set out in the template.

Data Transfer outside the European Economic Area

The reference to data processed outside the EEA is intended to satisfy the requirements of Articles 13(1)(f) and 14(1)(f) of the GDPR. The Article 29 Working Party guidelines state that known third countries should be specified, but this may not be practical. Fire Authorities should consider their own circumstances and take legal advice where appropriate. In addition, Fire Authorities should reconsider whether amendments are needed to this paragraph when we have greater clarity concerning Brexit.

Direct Marketing

The use of personal data for direct marketing purposes is addressed at Article 21 of the GDPR and automated processing and profiling at Article 22. We assume there will be no automated processing which has a legal effect or significant impact on the data subject's rights but Fire Authorities should assess whether that is in fact the case and include appropriate wording where necessary to satisfy Article 13(2)(f) of the GDPR.

We have assumed that Fire Authorities and their advisers/service providers are not using personal data for direct marketing purposes. However, if direct marketing is taking place then the members should be informed about their right to object to this. Fire Authorities may wish to seek legal advice.

Retention of Data

Fire Authorities should be aware that if they do not attempt to give a defined period for which personal data will be held, strictly speaking this is unlikely to comply with GDPR.

Fire Authorities will need to consider the extent to which the suggested wording matches their actual practice. See Articles 5(1) and 5(2), and in particular Article 5(1)(c) - (e) of the GDPR. Please also see Recital 39 of the GDPR.

This template is intended to satisfy the requirements of Article 13(2)(a) of the GDPR. The Article 29 Working Party guidelines on retention periods state that meaningful information about the likely period of retention should be provided and a generic statement is not appropriate ("It is not sufficient for the data controller to generically state that personal data will be kept as long as necessary for the legitimate purposes of the processing."). While the GDPR does not prescribe a time period beyond which data must not be kept, the data controller is under an obligation to inform individuals of the period for which data will be kept or, if this is not possible, the criteria that will be used to determine the retention period. The GDPR states that while the data is being retained, the data controller is also under an obligation to keep personal data up to date and to take every reasonable step to ensure that inaccurate data is either erased or rectified without delay. Further that data must not be kept in a form that is capable of identifying an individual for longer than is necessary.

In practice, we anticipate that Fire Authorities will need to retain personal data held for the purposes of the Scheme for extended periods because of the long-term nature of the pension liabilities. Consideration should, however, be given to "filleting" the data held so that individual items are not retained for longer than actually required.

The suggested period of “last payment of benefits plus 15 years” was based on the current maximum statutory limitation period, as any complaints about the payment of those benefits would need to be brought within that timeframe. It does, however, suggest that at some point data would actually be deleted. If in practice Fire Authorities do not currently operate such a practice and don’t propose to do so going forward as a response to GDPR, then the wording will need to be amended.

Rights of the Individual

Contesting Data

The Fire Authority should restrict the processing of the personal data (subject to certain exceptions e.g. storage or to defend a legal claim or for reasons of important public interest) where the individual has contested the accuracy of the personal data. The processing would also have to be restricted in this way where the individual has raised an objection for any the public interest or pursuant to an official authority; or (if applicable) in its legitimate reason, and the Fire Authority’s justification is based on the necessity to: perform a task in interests. The restriction will last until the Fire Authority is able to verify the accuracy of the personal data or demonstrate the justification for its processing respectively.

For reference, note: Article 21(1) contains the right of the data subject to object to the processing of personal data in circumstances relating to the individual, where the controller is relying on the justifications in Article 6(1)(e) or (f), which includes those mentioned immediately above. Under Article 21(2), the right to object also includes where personal data is used for direct marketing purposes and profiling for that purpose.

Article 18(2) and 18(3) provide exceptions to the right of the member to restrict the processing of personal data in certain circumstances.

Erasing Data

See Articles 17(1) and 17(2) of the GDPR. This information has to be included notwithstanding that in relation to the Fire Scheme 2015, the Fire Scheme 2006 and the Fire Scheme 1992 it is not anticipated that members will in practice have a right of erasure (due to the legal basis for which personal data is collected and processed).

The controller is also under an obligation to inform other data recipients that personal data has been restricted or erased, and inform the member of such data recipients on request. See Article 19 of the GDPR.

Collection of Data

In order to satisfy Article 13.2(e) of the GDPR, correspondence/documentation asking for personal data should contain specific information about why such information needs to be provided and whether the member is obliged to provide the information. Legal advice should be taken to ensure any such correspondence/documentation is compliant.

Your information (Human Resources privacy notice)



Our commitment to you

West Yorkshire Fire and Rescue Service (WYFRS) HR Team is committed to protecting your personal data and privacy. We recognise that ensuring the accuracy and security of your personal data is essential to retaining your confidence and trust. The information you provide to us will only be used for the purposes that you provide it and will never be used for third party marketing.

When we collect your personal data we will normally tell you:

- what your information will be used for
- who it may be shared with
- where you have a choice about your data we will ask for your consent

Note: In emergency situations we will need to deal with the emergency and so will not be able to tell you about any data handling at the time.

We often tell you why we need your personal data by including a privacy statement on any forms or letters. In areas where we use Closed Circuit Television (CCTV) and/or drones we provide signs to inform you that we are using such equipment.

We take our Data Protection responsibilities extremely seriously and understand how valuable your personal data is.

You can find out more about how we collect and handle your data generally on these web pages or by contacting us.

Visit our [privacy pages \(Opens in a new window\)](#) to find out how we collect and use data on-line and on our website activities.

Visit our [CCTV and the use of drones \(Opens in a new window\)](#) page to find out more about when we use CCTV and/or drones.

Why we collect your personal data

As a HR Team we deliver a number of services:

- Managing our staff under current employment laws.
- Manage our staff through their employment lifecycle
- To process individuals who apply for employment with us

To provide these services properly we need information about our service users, staff and other contacts.



How we use your information

How we use your information depends on which of our services you have used. We have to hold the details of people who have requested a 'service' from us in order to provide them with that service and for other closely related purposes.

We collect your personal information to allow us to carry out the various business functions such as;

- Job applications
- Management of staff throughout their career lifecycle, i.e. sickness absence, promotions, change in personal circumstances, retirements etc
- Complaints and Compliments
- Subject Access Requests
- Responding to telephone and written enquiries

Examples of how we use the information gathered from you

Job applications

During the application or recruitment process we will collect the following information;

- Your name
- Address
- email address
- Telephone number and other contact information
- Information from your interviews and any tests you have undertaken as part of the selection criteria
- Details of how you heard about the position you are applying for
- Any sensitive/or demographic information obtained during the application or recruitment process, i.e. gender, information about your citizenship and/or your racial or ethnic origin. This will also include information received from background checks (where applicable), and/or information relating to any previous applications you have made to WYFRS and/or any previous employment history with WYFRS.

Your information will only be used for the purposes of carrying out the application and recruitment process. If you are offered and accept employment with WYFRS the application and recruitment process will become part of your employment record.

Day-to-Day Management of Staff

We will use your personal information in the following processes as an example:

- Processing salary changes
- Sickness absence management
- When communicating with individual staff members or other internal departments
- Flexible Working requests
- Long Service Awards
- Promotions
- Change in place of work
- When notified about a change in personal circumstances
- Retirements and Resignations
- When we write to you in a formal capacity

Sharing your information

We have a responsibility to promote social well-being. To do this we often work with other councils and community partners and this sometimes includes sharing your personal or sensitive information between different agencies.

Data sharing can help to ensure that you receive the relevant services. The agencies that we share with or obtain data from include:

- West Yorkshire Pension Fund.
<http://www.wypf.org.uk/Member/Administration/Privacy/PrivacyIndex.aspx>
- Kirklees Council (they provide our Payroll Service)
www.kirklees.gov.uk/privacy,
- PSI Services Ltd (they manage our online Wholetime Firefighter recruitment process)
<https://www.psonline.com/en-gb/privacy/>
- Test Partnership (they form part of our online Wholetime Firefighter recruitment process)
<https://www.testpartnership.com/privacy.html>
- WCN (they manage our online application process for all other posts besides Wholetime Firefighters). WCN will be known as Oleo from 5 June 2018.

However, in almost all such cases, we will make you aware if your information is intended to be used in this way and provide the opportunity for you to say 'No'. The exception to this is when we are required by law to pass on information; this is explained below. Further information on Data Sharing can be found on our [Data sharing and protection page](#).

Situations where your consent is not required

There are some situations where we are required by law to provide information to other organisations; in these situations your consent is not necessary. Examples of these organisations include:

- Central government
- Auditors
- Suppliers employed to process our data
- Other crime and disorder partners

Where possible, this information is made anonymous to protect your privacy. The exceptions to this include:

- Information provided to crime agencies relating to prevention and detection of crime
- Information which is necessary to prevent serious risk to individuals
- Our duty under the Children's Act 2004
- Provision of data to organisations that process data on our behalf; examples of this currently includes our payroll provider

Staff payroll and pension data, which is provided to external bodies responsible for auditing and administering public funds. This is for preventing and detecting fraud. You can obtain further details from the [National Fraud Initiative \(Opens in a new window\)](#). For more information please check out our document [Cabinet Office National Fraud Initiative](#).

Information provided to us

PSI Services Ltd

PSI Services Ltd provide our online recruitment selection tests (Behavioural Styles questionnaire and Situational Judgment Test). Applicants for Firefighter positions also have to register their personal details online (Name, NI number and e-mail address etc) as well as complete a short eligibility check. Applicants are also invited to complete monitoring information (age range, gender race, ethnicity etc) so that we can see what groups are applying. This information is provided voluntarily and does not affect any recruitment or selection decisions.

Test Partnership

The Test Partnership also provide some online testing for our Firefighter recruitment, they are provided with candidates first and last name and e-mail address and they provide us with Ability Test scores for applicants. No other personal data is shared.

West Yorkshire Pension Fund

The West Yorkshire Pension Fund (WYPF) provide pension services to WYFRS.

WCN (To be known as Oleeo from 5 June 2018)

WCN (World Careers Network) manage the online application process for all WYFRS posts (other than Wholetime Firefighters), they keep candidate data on behalf of WYFRS and only use this data for recruitment purposes.

Applicants for vacancies also have to register their personal details online (Name and e-mail address etc) on the WCN system, upon applying for a vacancy, candidates are invited to complete monitoring information (age range, gender race, ethnicity etc) on a voluntary basis and is anonymised. This information is used so that we can see what groups are applying and does not affect any recruitment or selection decisions.

Kirkees Council

Kirklees Council provide our Payroll Service so they have access to personal date about WYFRS staff that allows them to accurately manage staff salaries.

Other External Partners

From time-to-time we will receive information from external providers such as:

- Specialist Medical Reports including reports requiring us to consider adjustments for staff i.e. Dyslexia reports
- Mortgage or reference requests

Security of your Information

Information collected and held electronically, is securely stored on databases located on West Yorkshire Fire and Rescue Service's network and access is given on a role requirement basis. We also take appropriate steps to make sure we hold paper records in a secure way, and will only make them available to those who have a right to see them.

We have an [Information Security Policy \(Opens in a new window\)](#) that staff adhere to; all staff also receive data protection training.

We also have the necessary controls in place with external organisations that process data on our behalf or provide IT expertise surrounding our systems, to ensure that the organisation complies with the data protection legislation.

Information Rights

Requesting Access to personal information

The Data Protection Act gives you a number of rights relating to your data. These rights include being able to request a copy of the information we hold about you.

Individuals can find out if we hold any personal data by making a [subject access request \(Opens in a new window\)](#). If we do hold information about you, subject to certain exemptions, we will:

- give you a description of it
- tell you why we are holding it
- tell you who it could be disclosed to
- let you have a copy of the information in an intelligible format.

Requesting correction of inaccurate information

You should let us know if you disagree with something written on your record. We may not always be able to change or remove the information. However, we will correct factual inaccuracies and may include your comments in the record.

If you want to request corrections go to the '[How to contact us](#)' section of this guidance for correspondence details.

How long do we keep your data for?

We will retain your information for as long as is required to meet the purpose of collection or as long as the law requires. Information on retention periods can be found on our website here [WYFRS Records Retention Schedule \(Opens in a new window\)](#).

You have a right to request that West Yorkshire Fire and Rescue Service stop processing your personal data. Where possible we will seek to comply with your request but we may need to hold or process information in connection with one or more of the Service's functions. You would be informed of the outcome to your request and the rationale behind the decision.

Visitors to our website

When you submit information to us via our website, such as applying for a job, we will receive personal information about you. This can consist of information such as your name, email address, postal address, telephone or mobile number, depending on the activity. By submitting your details, you enable West Yorkshire Fire and Rescue Service to provide you with the services, activities or online content which you required.

Cookies

West Yorkshire Fire and Rescue Authority may use 'cookie' technology to track or record information about our website visitors. West Yorkshire Fire and Rescue Authority require the use of 'cookie' technology so that we can guarantee we present the correct information to users as they move from screen to screen. These cookies are 'session-specific' and are not used to record personal information or to associate personal information with the use of the West Yorkshire Fire and Rescue Authority service. West Yorkshire Fire and Rescue Authority users who disable their web browsers' ability to accept cookies will be able to browse our website but may not be able to successfully use all of our services.

Third-Party Sites

The site contains links to other websites. West Yorkshire Fire and Rescue Authority is not responsible for the privacy practices or the content of these websites. Visitors will need to check the policy statement of others' websites to understand their policies. Visitors who access a linked site may be disclosing their private information. It is the responsibility of the visitor to keep such information private and confidential.

Changes to Privacy Statement

From time to time, we may use visitor information for new, unanticipated uses not previously disclosed in our privacy notice. West Yorkshire Fire and Rescue Authority will update this policy from time to time. A 'last revised' date will always be included on the bottom of the statement. To keep up-to-date with West Yorkshire Fire and Rescue Authority policy, please check this page periodically.

Contact details for our Data Protection Officer

The Data Protection Officer provides direction, support and advice to the Authority, Principal Officers, Heads of Service and all departments across the Authority in relation to their data protection obligations.

Data Protection Officer

Michael Barnes

01274 655732 | michael.barnes@westyorksfire.gov.uk

How to contact us

If you;

- Wish to correct or update the personal information that you have provided us.
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AGENDA ITEM No. 10(c)

Ill Health Injury Compensation Pension – Tax Issues

All FRA's need to ensure that any injury pensions paid to non-members are re-classified as non-taxable benefits as they are classed as compensation payments. This is something that WYPF have actioned on our behalf.

WYPF have identified 11 WYFRS pensioners who will be affected by the above. WYPF have written to all affected pensioners to make them aware that they will be able to reclaim tax from HMRC. It has become apparent that WYPF can reclaim 4 years from HMRC via PAYE. The onus falls upon the Authority to cover any short falls.

It has been suggested that the Authority backdates any payments to when the Compensations Regs were introduced (April 2006).

Where the Authority need to re-pay tax to a member (in respect of a period the member cannot reclaim via HMRC directly) the payment should be made as some sort of compensation/ex gratia/insurers payment from the operating budget and not out of any top-up grant funding.

No calculations have been made yet as we are still waiting for HMRC to provide refunds for 5 pensioners.

Guidance has now been provided by HMRC and Clair Alcock has provided technical note (attached).

Firefighters Pension Scheme

Technical Note: Taxable treatment of Ill-Health pension paid from the compensation scheme

Background

This note sets out the correct taxable treatment of ill-health pensions paid from the compensation scheme to retained firefighters only who were employed prior to 6 April 2006.

These firefighters, because they could not join the 1992 pension scheme, were given compensatory provisions under the compensation scheme rules.

This note only applies to those retained firefighters who have been awarded an ill-health pension under Part 8, rule 2, paragraph 4 (subject to any reductions under paragraph 4a).

Who does this affect

This applies to

- A retained firefighter who was employed prior to 6 April 2006 and [prior to 1 April 2014](#) was awarded an injury and ill health pension for his retained service under the compensation scheme, Part 8, rule 2, paragraph 4.
- A retained firefighter employed prior to 6 April 2006, who didn't subsequently become a '[special member](#)' under the terms of the modified arrangements and after [1 April 2014](#) has been retrospectively awarded an injury and ill health pension for his retained service under the compensation scheme, where it has been determined that the injury is a qualifying injury and was sustained before the 1st April 2014 under the protected right granted in [SI 2014/447](#) paragraph 2 of rule 3.

HMRC rules

HMRC have previously confirmed that payments made under the compensation scheme, specifically the ill-health pensions under Part 8, Rule 2, Paragraph 4 **should not be treated as taxable**.

This is in line with the guidance given in [EIM74310](#)

The position with regard to the fire service is virtually identical. Ordinary, short service and ill health pensions are taxable; 'injury' pensions are not. Pensions awarded to fire service personnel solely on the grounds of injury whilst on duty, even if called ill health pensions, are regarded as exempt under section 644 ITEPA. These individuals will either not be regular firefighters or will not have served two (previously five) years.

LGA have recently received enquiries from administrators in which local officers at HMRC have indicated that these pensions are not tax exempt. For the avoidance of doubt LGA has re-clarified the position with HMRC who have confirmed that pensions paid in the specific circumstances listed should **not be subject to tax**, under section 644 ITEPA 2003 which exempts certain pensions.

"From the information provided the firefighters are not under the main pension scheme and have been awarded the injury pension under the compensation scheme, the pension does not come under registered schemes which are chargeable under section 579a ITEPA 2003. As such the payments will come under section 644 ITEPA 2003 which exempts certain pensions paid due to disablement caused by injury at work. Please see the link for [EIM74012](#) which gives more detail and examples on how this would work which will help in deciding if those concerned fit the conditions for the exemption under S644 ITEPA 2003. This is in line with your own view as previously communicated."

What is the effective date of the HMRC guidance EIM74310

The guidance in [EIM74310](#) is dated 29 February 2016, however this reflects the date the Employment Income Manual migrated to GOV.UK from the HMRC website in March 2016. EIM74000 was originally published on the HMRC website on **1 January 2008**, and HMRC trace it back to **2005**.

When did this come to light

This was first raised with LGA as a specific query in September 2015, although it was initially mentioned at a technical group meeting in 2014 (see item 7c of the meeting [minutes](#)).

LGA issued an email to Fire Scheme Pension Practitioners and Pension Scheme Managers on 5 October 2015 (linked [here](#) on khub).

Correcting any payroll errors that have occurred due to treating this pension as taxable in the last four tax years

LGA has recently contacted HMRC for guidance on how to correct the payroll errors if these pensions have been treated as taxable.

There is general guidance on the HMRC website for individuals to claim a [tax refund](#). If the authority wishes to make a claim they may be able to do so by making adjustments via their PAYE/RTI Returns. There is [guidance](#) on the HMRC website regarding payroll errors, and this includes a link to the HMRC's employer helpline 0300 200 3200

HMRC have provided the following guidance

1. If the pension involved consists solely of non-taxable income there is no need to submit Full Payment Submissions (FPS's).
2. If the pension has been returned as a non-taxable for all years, we require a FPS with a leaving date and nil year to date figures.
3. If the pension was returned as taxable in earlier years the following submissions are required –
 - FPS with a leaving date and nil year to date figures if not already submitted
 - Earlier Year Updates (EYU's) reducing the pay and any tax deducted to nil. This should be provided for every year the pension was incorrectly taxed, within four tax years of the current tax year or accounting period. (At the date of this advice this would be 2013-14)
 - EYU's should reflect the adjustments required to arrive at the correct pay and tax details **not** the amended figures.

Repayments will arise to employers for any tax overpaid once the EYU's have been processed. It is the employer's responsibility to refund tax overpaid to the affected pensioners.

Guidance on how employers can correct payroll errors can be found at <https://www.gov.uk/payroll-errors/correcting-your-fps-or-eps>

Payroll errors that occurred more than four tax years ago from the current relevant tax period.

HMRC have advised that they can only correct payroll errors through the overpayment tax relief claim procedure within four years of the current relevant tax period. Any payroll errors that have occurred before that date will need to be compensated for by the authority.

How far back should the Fire Authority refund any payroll errors.

This should be an individual decision for each Fire Authority to make based on the circumstances of their payments. It is understood some Fire Authorities received advice that prior to 2006 this was a taxable payment. However Fire Authorities may wish to consider the date the compensation scheme was separated from the main pension scheme under [SI 2006/3434](#) which came into force on 25th January 2007 and the finance guidance requiring a separation of the funding mechanism for ill-health pensions treated as a payment from the compensation scheme in determining how far back any payment should be rectified. Please contact bluelight.pensions@local.gov.uk if you wish to discuss this further, or have received legal advice on this.

Firefighters Pension Fund

Please be aware that any ill-health pension paid under the Part 8, Rule 2, paragraph 4 is treated as a payment from the compensation scheme and should be paid from the authority's operating account, not from their pensions fund as per paragraph 3.24 of the [finance guidance](#) issued in August 2006.

Regulations

Pre 1 April 2014

[Part 8 Special Cases, rule 2, paragraph 4](#) amended by [SI 2006/3434](#)

Prior to 1 April 2014, if a retained firefighter who was employed before 6 April 2006 (but therefore not eligible to join the 1992 scheme) was disabled due to a qualifying injury, they were to be treated as if they were a whole-time firefighter for the purpose of the injury award and under Part 8, rule 2, paragraph 4 an ill health pension under the 1992 regulations, as if they were a whole-time firefighter, was also payable to them. (Regulation 4A required any ill-health pension paid as a result of being a member of the 2006 scheme to be subtracted from this amount)

Post 1 April 2014

Part 8, rule 2 was [amended](#) in 2014 so that the above no longer applied to a retained firefighter. This is because the modified scheme was brought in allowing a retained firefighter to retrospectively join the scheme. However, under the [transitional provisions](#), (rule 3, paragraph 2), where it has been determined that the injury is a qualifying injury **and** was sustained before 1 April 2014, then the right to an ill-health pension as a whole-time firefighter based on the 1992 rules as above would still apply.

(2) The amendments made by article 2 and paragraphs 6 and 7 of the Schedule to this Order shall not have effect in relation to a person who has been in continuous employment as a retained firefighter since 5th April 2006 and has sustained an injury in the performance of his duties as a firefighter before the coming into force of this Order where it is subsequently determined that that injury is a qualifying injury (coming within the meaning of rule 7 of Part 1 of the Compensation Scheme) and that he is permanently disabled as a result of that injury.

Final Note

This note was prepared on 18th September 2017 for Fire Authorities consideration by the Local Government Association. It does not constitute legal advice and should not be treated as so.

Version

Version number	Date Published
1	17/09/2017

Distribution

Practitioners, Scheme Managers, Local Pension Board Chairs

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OFFICIAL

Pension Ombudsman - update

Local Pension Board

Date: 13 July 2018

Agenda Item:

11

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: Nicola Houseman, Committee Administration Manager
T: 01274 655740
E: nicky.houseman@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex A – decision summary (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 are three Pension Ombudsman rulings that have been made since the date of the last meeting as follows;

- Mr A – Interpretation of scheme rules / policy
- Mr B – incorrect calculation

- 2.2 A summary of each case is provided at Annex A to this report and a copy of the full Ombudsman determination is available on request from Committee Services.

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 Resources Implications

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

6 Health and Safety Implications

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

7 Service Plan Links

- 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 provide "effective and ethical governance".

Scheme:The New Firefighters' Pension Scheme England

Complainant:**Mr A**

Respondent:Warwickshire Fire and Rescue Authority

Topic:Interpretation of scheme rules/policy termsRef:PO-15584

Date:Thu 22 Feb 2018

Outcome:Upheld

Complaint summary

Mr A complains that the Authority is not treating certain elements of his pay as He believes this is contrary to the 2006 Scheme rules, as set out in The Firefighters' Pension Scheme(England) Order 2006 (the Rules).

Summary of the Ombudsman's decision and reasons

The complaint is upheld against the Authority because it has wrongly interpreted the Rules. In particular, it has not applied the relevant case law correctly in deciding whether disturbance, work activity and training attendance payments should be considered permanent and therefore pensionable.

Scheme:Firefighters' Pension Scheme

Complainant:**Mr B**

Respondent:West Midlands Fire Service

Topic:Contributions: incorrect calculationRef:PO-18495

Date:Thu 22 Mar 2018

Outcome:Not upheld

Complaint summary

Mr B's complaint is that WMFS had a duty to inform him that he had reached 30 years' service and therefore could have opted out of the Scheme. He is asking for a refund of the contributions he has paid since reaching the maximum level of service.

Summary of the Ombudsman's decision and reasons

There is nothing in the regulations or any other guidance or legislation, that compels WMFS to inform members of their options once they have reached the maximum level of service. Mr B should have known when he reached that level.



ACTIONS AND AGREEMENTS

Friday 1 December 2017

18 Smith Square, Westminster, London SW1P 3HZ

PRESENT

Malcolm Eastwood	Chair
Cllr Thomas Wright	Scheme Employer Representative (LGA)
Cllr John Bell	Scheme Employer Representative (LGA)
Cllr John Fuller	Scheme Employer Representative (LGA)
Fiona Twycross AM	Scheme Employer Representative (LGA)
Cllr Roger Price	Scheme Employer Representative (LGA)
Cllr Roger Phillips	Scheme Employer Representative (LGA)
Dave Limer	Scheme Member Representative (FBU)
Sean Starbuck	Scheme Member Representative (FBU)
Glyn Morgan	Scheme Member Representative (FOA)
Tristan Ashby	Scheme Member Representative (RFU)
Des Prichard	Scheme Member Representative (APFO)
Helen Scargill	Technical Adviser
Karl Bescoby	Aquila Heywood (Presenter)
Shenley Gallimore	Aquila Heywood (Presenter)
Matthew Armitage	Aquila Heywood (Presenter)
Michael Prior	Chair – Wales SAB (Observer)
Clair Alcock	LGA – Board secretariat
Claire Hey	LGA – Board secretariat
Anthony Mooney	Home Office Observer

1. Apologies

Apologies were received from Sam Rye. Francis Bishop was also not in attendance.

2. Changes to membership

Two new Scheme Advisory Board members were welcomed to the meeting: Cllr Roger Phillips and Fiona Twycross AM.

Scheme Advisory Board Secretariat

18 Smith Square, Westminster, London SW1P 3HZ T 020 7664 3189/ 020 7664 3205 E bluelight.pensions@local.gov.uk

Approval of one further nomination is awaited from the minister.

3. Conflicts of Interest

Cllr Phillips declared a potential conflict of interest as Chairman of Hereford & Worcester FRS. Noted.

4. Chair's Update

Malcolm Eastwood informed the group of the events he had attended in capacity as chair of the Scheme Advisory Board

- 2 day Fire AGM
- Fire Commission
- KPMG – pensions dinner
- Home Office arms-length bodies
- TPOS Stakeholder engagement
- Eastern region board training
- TPR Stakeholder engagement
- 1 to 1 with Jayne Baldock (Home Office)

5. Home Office update on valuation consultation response

1. Anthony Mooney confirmed the position on the two recent consultations with the SAB.
 - Past service costs: position is being finalised.
 - Actuarial assumptions: response in writing dated 28 November 2017.
2. The following positions were discussed.

Pensioner Mortality

3. Home Office agree with the expectation that ONS 2016 table of pensioner mortality projections is used, however, as this assumption is set across all public service schemes by HM Treasury, they await HMT to confirm.

Age Retirement

4. Home Office will proceed with GAD's assumption that 25 % of 2015 scheme new entrants will retire at age 55, with the remaining 75% retiring at age 60.
5. FBU reiterated their concern that Firefighters are unable to work to age 60 in the numbers anticipated.

Commutation

6. For members with transitional service in the 1992 and 2006 modified schemes, Home Office noted the experience reported by FRAs and GAD have subsequently adjusted the proposed assumption to reflect a 7.5% commutation of 2015 pension within these groups.
7. The employee representatives queried the arrival at an assumption of 7.5 %. Home Office responded that the evidence provided to them suggested an actual figure of 6.3%.
8. Clair Alcock had spoken to First Actuarial regarding the Home Office response. They were happy with response overall and felt that the change to the transitional member commutation assumption to 7.5% of pension represented a reasonable assumption.

Data concerns

9. In relation to the exclusion of data from GAD's analysis, Home Office confirmed that their expectation is that the SAB should lead on improving data quality, and they are happy to work together on this.
10. Helen Scargill advised that instructions for changes to valuation requirements need to be clearer to administrators, using the ill health retirement higher/ lower tier example from 2012. This includes where changes need to be retrospectively actioned.
11. Cllr Fuller proposed that definitions need to be consistent, and that poor quality of data can negatively affect the valuation.
12. Anthony Mooney confirmed that the SAB can ask for clarification on any area of the valuation result, but that the responsibility for data quality lies with the employer.
13. Cllr Phillips confirmed that data quality is a big issue for the Pensions Regulator (TPR). Teachers' Pensions is moving to monthly data collection (MDC) to improve the quality of their data. There is a need for schemes to work with TPR.
14. Clair Alcock commented that the General Data Protection Regulation (GDPR) effective from 25 May 2018 would require data mapping by FRAs and should assist in the data improvement process.
15. Clair Alcock further updated the board that TPR are also introducing the requirement for common and scheme specific data scores from 2018, and as such the board secretariat have agreed with TPR to develop a list of scheme specific data items, either through the admin and benchmarking committee or technical group, and that this work should lead to an increased improvement with data.

16. Anthony Mooney stated it was important to clarify that data was only omitted by GAD from the setting of assumptions, not from the actual valuation calculations.

17. Clair Alcock commented that the reasons for the discrepancies were as outlined in the recent technical group minutes.

- i. IH suggested that TPR and GAD should liaise with each other to establish consistent data standards for the valuation, and FRAs could then feed these requirements back to software providers. IH also felt it is important for GAD to understand the scope of what is being requested within very tight timescales.*
- ii. HS raised that differences between opening and closing values to indicate in-year movement could be distorted by change of administrators or admin system, or incorrect data received by FRA payroll/ finance teams at either point. HS then pointed out that new items on the data extract will cause discrepancies.*
- iii. CA confirmed that GAD had agreed these were likely reasons for discrepancies which is why they had no major concerns. Nevertheless authorities whose data had been excluded for these purposes would be contacted individually and invited to work with GAD to improve data inclusion. CA highlighted the case of the upper/ lower tier ill health retirement assumption in the 2012 valuation, whereby all cases had defaulted to upper tier for the year 2012/2013 for the simple reason that there was no data field available within the admin software to record the tier awarded until software delivery in early 2013, as this had been a new request in the 2012 valuation.*
- iv. CC confirmed that CARE data issues were identified by the ABS process, but these could not be reported on valuation data due to timescales. CA agreed that ABS acts as a data filter and the PPS exercise acts as a further filter, but both occur after GAD's deadline.*

ACTION:

- **SAB secretariat to work with FRAs on general data improvement, and specifically feeding back to those FRAs where data was excluded from the assumption settings.**
- **Board secretariat to consider with admin and benchmarking committee to develop a standard list of scheme specific data items.**

Comments on Cost Cap

18. Glyn Morgan asked if the SAB would be able to make a challenge in the future if the assumptions made are shown to be incorrect.
19. Anthony Mooney confirmed that consideration of revising the starting point for the Cost Cap assumptions, falls outside of the Home Office consultation scope – as the Cost Cap is for tracking and monitoring the cost of the scheme, rather than setting contribution rates.
20. Des Prichard asked Home Office if the valuation will give an indication of how close the scheme is to breaching the Cost Cap and whether more information on areas of risk is available. Des suggested that a list of key data items is drawn up.
21. Glyn Morgan added that a risk register would help the Board determine priorities.

Other comments

22. Sean Starbuck commented that the SAB budget had allowed procurement of independent actuarial advice which allowed a good position for challenge of the assumptions. The valuation needs to be as accurate as possible.

Devolved government positions

23. Michael Prior, chair of the Wales Scheme Advisory Board, attended the meeting as an interested observer and commented that it had been helpful to the Wales Board to view the SAB's response, as Wales are around one month behind in the valuation process. They will be raising the same/ similar points in response.
24. Sean Starbuck asserted that it is easier to collect data in the devolved regions. He confirmed that Scotland have individual assumptions, while Wales and Northern Ireland use the same as England.

6. SAB website member area demonstration

1. Claire Hey gave a demonstration of the member area of the SAB website. Log-in details were provided to all members in advance of the meeting. All members were able to access the site and view the member restricted pages, although it became apparent that not all functionality is available if the site is not viewed in full-screen mode.

2. The following comments/ suggestions were made and will be actioned where possible:
 - Add the list of administrators using which software to the site – COMPLETED.
 - Can a search function be added (Cllr Fuller) – COMPLETED.
 - Can the site be bumped up within web search listings (Fiona Twycross AM)
 - Send guest log-in details to the Home Office team and Michael Prior – COMPLETED.
 - Consider development of specific devolved region pages
 - Add Home Office workforce statistics document/ report to the site (Sean) – COMPLETED.

7. Altair Member Self Service demonstration – Aquila Heywood

1. Matthew Armitage, Karl Bescoby and Shenley Gallimore from Aquila Heywood were welcomed to the meeting and gave a demonstration of the Member Self Service (MSS) solution available in Altair. The presentation was well received by the Board and the following comments were received.
2. Des Prichard pressed the team to ensure that adequate cyber security measures were in place where MSS was adopted. The Aquila Heywood team confirmed this was in place.
3. Cllr Phillips is aware that MSS is available at LGPS sites, but not well used. Lack of engagement with MSS may indicate lack of compliance in other areas, therefore the Board should work with the minister and TPR to drive this forward.
4. Board members were interested to know how many FRAs were already providing on-line access to their members through their administrators.
5. Fiona Twycross spoke about monopolisation issues affecting cost and procurement of services. Caution should be exercised when recommending certain companies which removes element of choice.
6. Des Prichard queried whether it is the role of the SAB to make recommendations to employers.
7. Clair Alcock added, that whilst previous conversations on the government dashboard project had queried the value of the government dashboard to Firefighter Pension Scheme members, the dashboard would create a reasonable expectation for members to find information about their pensions on-line.
8. Clair Alcock confirmed that the board would not make recommendations on a particular provider, but asked the Board

whether having seen the technology available for their agreement to recommend that all FRAs should consider providing on-line access.

All agreed.

9. Cllr Fuller commented that at the next meeting of the SAB, the board should undertake a strategic review of administration and management of the pension scheme and consider options to recommend specific actions, potentially over a three year framework to the next valuation.

ACTION:

- **SAB to champion use of on-line technology. To further discuss with admin and benchmarking committee**
- **Sub-committees to make recommendations for the SAB to consider at March meeting**

8. Communication

1. This item was incorporated into item 7.

9. ABS/ LPB survey updates

1. The contents of Paper 1 (ABS survey update) issued prior to the meeting were noted by the Board and all agreed that the Annual Benefit Statement survey should continue to be issued each year.
2. Michael Prior commented that the Yes/ No answers were not necessarily helpful for certain questions.
3. Claire Hey gave a verbal update on the LPB survey that was launched on 28 November, confirming the aim and purpose of the survey. The LPB effectiveness committee had reviewed the questions before the survey was issued. Responses will be reviewed at the next meeting of the committee on 31 January 2018.
4. Clair Alcock mentioned that a spreadsheet is being maintained to track responses to this and other surveys, plus attendance at training and events, to be able to provide targeted support.

10. SAB branding and communication guidelines

1. Claire Hey gave a brief summary of Paper 2 (SAB branding and communication guidelines) and comments were invited.
2. Sean Starbuck felt that the four bullet point headings were very similar and suggested changing *guidance* to *compliance*.

3. Glyn Morgan asked for an apostrophe to be added to *Firefighters* in the logo. This amendment is currently outstanding with the LGA marketing team.
4. No further comments were made and the guidelines are agreed pending the above amendments.

11. Budget proposal

1. Clair Alcock gave a verbal report to the meeting of the budget spend this year. Items delivered include:
 - SAB website
 - Actuarial advice
 - Tax awareness seminars
 - Conferences and training sessions
 - Salaries / expenses
2. Clair Alcock invited comments and suggestions on potential inclusions for the next budget, with a starting suggestion of assistance with communications. Clair also asked the Board members for comments and proposals for the future with regards to a paid chair – should this come from the budget or requested from Home Office.
3. Malcolm Eastwood stated for the record that he would not accept payment for the post, but in the future this does need to be a paid post to ensure the level of commitment required.
4. Michael Prior clarified that the remuneration for the chair of the Wales SAB is paid by the Welsh government.
5. Cllr Wright acknowledged and thanked Malcolm for his hard work and dedication.
6. Sean Starbuck commented that there is a business case for external advice and a paid chair within the budget. Sean also proposed an end of year report to FRAs to demonstrate value for money.
7. Cllr Fuller proposed the chair post to be budgeted at 10 days per month, via the Public Appointments team at the Home Office.
8. Cllr Phillips supported the appointment of a paid chair, who would have more influence if paid from the SAB budget rather than under the dictate of Home Office. The LGPS annual budget has to be approved by the minister. Cllr Phillips added that the budget should take into consideration all items that need to be delivered, agreed by the Board secretariat in conjunction with the chair.

9. Fiona Twycross remarked that who makes the appointment is key, rather than where the money comes from.
10. Clair Alcock asked as a final point whether events should be chargeable. All agreed that these should be included in the budget and funded via the levy.

ACTION:

- **Secretariat to provide draft budget for board to approve at March meeting**

12. Technical group update

1. Clair Alcock gave a background of the technical group for the benefit of the new members. The following update items should be noted by the Board:
 - Two recent statutory instruments laid, instructions to authorities issued
 - HMRC have issued information to deal with contribution holiday in bulk
 - Provided guidance to administrators to deal with tax errors on injury pensions
 - Effect of Brewster (expected to be minimal), Walker still to be determined
 - Voluntary Scheme Pays – no guidance issued
 - Scheme reconciliation – administrators report getting on with the job
 - GDPR guidance to be issued – board should consider whether they wish to commission something
 - Pensionable Pay- discussing with TPO they were keen to discuss possibility of referral
 - IDRPCs
 - Exit cap
2. Technical group actions summary – outstanding actions of note:
 - Nothing to be escalated to SAB
 - Home Office to advise of GMP overpayment strategy
 - Administrators requested some additional scheme pays guidance – Home Office and LGA to consider if this is necessary
 - Split Pension PI – Guidance and regulations don't quite marry. Informal guidance to follow regulations – need to consider HO position on regulations
 - Pensionable Pay in the 2015 scheme – HO to consider a minor technical detail

13. **Update on actions summary/ items delivered**

1. Items highlighted in yellow indicate completed actions since the last meeting:

- Board policies to be drafted – timetabled for next year (March 2018)
- Board to issue survey – completed launched on 28.11.2017
- To note that past service costs on pensionable pay remains a risk
- To request details of key risk factors – completed included in survey questions
- Board to ensure LPBs are aware of their duties and provide central guidance – Ongoing, Clair provides board training, SAB website includes LPB resources page
- Survey FRAs on impact of pensionable pay – Timetable to review by March meeting
- Draft guidance note to boards to ensure they satisfy themselves that pensionable pay is correct in light of Norman V Cheshire – action timetabled before next meeting
- To issue bulletin on PPA – to be done using comms style guide
- Risk strategy
 - LPBS – provided some guidance, working with Essex
 - Board – we will look to provide a risk matrix for the SAB – invite comments on what this should look like (March 2018)
- Tax awareness sessions – In progress, very good reviews so far, attendance has been really high
- Awaiting SoS to appoint new members – nearly complete
- **POST MEETING UPDATE: Cllr Ian Stephens has now been appointed which completes board membership.**
- Secretariat to inform LPB chairs and scheme managers of importance of completing GMP rec – Completed, this has been done via LGA bulletin, chairs update, conference and LPB training
- HO to consult on valuation assumptions – completed response submitted 13th October 2017
- Voluntary Scheme Pays – Home Office and LGA to progress
- SAB to survey FRAs on ABS response – completed paper 1 submitted to board

2. Sean Starbuck expressed disappointment that there had been no movement on the pensionable pay issue. There is a job to be done, and though it has been started, further work is needed.

This was agreed and will be progressed.

14. Future meeting dates and venues

Scheme Advisory Board Meetings

All meetings to be held at 18 Smith Square 10.30am until 3.30pm

Friday 9 March 2018

Wednesday 20 June 2018

Wednesday 5 December 2018

It was noted that the October date fell on the conservative party conference. Further dates will be circulated for consultation once all vacancies are filled.

ACTION:

Further consultation dates to be offered for October 2018

Committee Meetings

Cost Effectiveness Committee – 17 January 2018 14.00 to 17.00

LPB Effectiveness Committee – 31 January 2018 10.30 to 14.30

Admin and Benchmarking Committee – 7 February 2018 10.30 to 14.30

15. AOB

1. Board to consider whether they would like to invite Annemarie Allen to feedback from current tax awareness sessions

ACTION:

Board agreed this and asked the secretariat to arrange with Barnett Waddingham.



Firefighters Pensions England

Scheme Advisory Board

ACTIONS AND AGREEMENTS

Friday 9 March 2018

18 Smith Square, Westminster, London SW1P 3HZ

PRESENT

Malcolm Eastwood	Chair
Cllr John Bell	Scheme Employer Representative (LGA)
Cllr John Fuller	Scheme Employer Representative (LGA)
Cllr Roger Price	Scheme Employer Representative (LGA)
Dave Limer	Scheme Member Representative (FBU)
Francis Bishop	Scheme Member Representative (FBU)
Glyn Morgan	Scheme Member Representative (FOA)
Tristan Ashby	Scheme Member Representative (RFU)
Des Prichard	Scheme Member Representative (LFA)
Helen Scargill	Technical Adviser

Annemarie Allen Barnett Waddingham (Presenter)

Clair Alcock	LGA – Board secretariat
Claire Hey	LGA – Board secretariat
Anthony Mooney	Home Office Observer

1. Apologies

- 1.1 Apologies were received from Cllr Ian Stephens, Cllr Roger Phillips, Fiona Twycross AM, Sean Starbuck and Sam Rye. Unfortunately this meant that the meeting was not quorate and no decisions could be formally agreed.
- 1.2 Malcolm Eastwood (ME) encouraged attendance at meetings and noted that the number of apologies and lateness of notice received in some cases was disappointing.

2. Changes to membership

- 2.1 A replacement is needed for Cllr Thomas Wright, the labour group are to make a nomination.

3. Conflicts of Interest

- 3.1 None recorded.

Scheme Advisory Board Secretariat

18 Smith Square, Westminster, London SW1P 3HZ T 020 7664 3189/ 020 7664 3205 E bluelight.pensions@local.gov.uk

4. Chair's Update

4.1 ME informed the group of events attended in his capacity as chair of the Scheme Advisory Board (SAB) since the last meeting:

- Dorset & Wiltshire LPB Training
- Tax awareness sessions
- SAB induction training session
- Committee meetings
 - Cost effectiveness
 - Local Pension Board effectiveness
 - Admin and Benchmarking
- KPMG – pensions dinner
- Eastern region board training
- DWP pension dashboard stakeholder event – concerns have been taken into account re DB schemes.
- Meeting with Chief Executive of LPP
- PMI event – promoted positive relationship with GAD.
- Home Office visit to Hampshire Fire and Police – Anthony Mooney (AM) confirmed this was a useful meeting for the HO team. Police and Fire colleagues are working together to share resources and pension administration.

4.2 ME's next engagement is the ITM/ Pension Age data event running on 16 March, at which Clair Alcock (CA) is speaking.

5. Actions arising from previous meeting

5.1 Members agreed that they are happy for meeting minutes to be added to the FPS board website as soon as completed, with draft watermark until actions and agreements are approved at the subsequent meeting.

5.2 CA highlighted the half day data event being held on 29 March 2018 at 18 Smith Square to work with FRAs on general data improvement and scheme specific data. SAB members are welcome to attend, a promotional code is available to book complimentary places.

5.3 CA confirmed that an article will be included in a forthcoming bulletin to promote the use of on-line technology such as Member Self Service, which the SAB have agreed to champion.

5.4 CA confirmed that an invitation to bid has been issued for legal advice with a deadline of 29 March 2018. Four firms have been approached and an article has been added to a new [invitation to bid](#) page of the FPS board website which welcomes other applications.

5.5 There were no matters arising.

6. FPS regulations and guidance website demonstration

6.1 Claire Hey (CH) gave a demonstration of the [FPS Regulations and Guidance](#) website. Positive feedback from stakeholders was noted.

6.2 The following comments/ suggestions were made and will be actioned where possible:

- On the FPC circulars page, note that the FPC is no longer active and caveat that any guidance is informal (AM).
- Add the LGA disclaimer as a footer to each page (Tristan Ashby (TA)).
- Add the NJC pay award circulars as an administration resource (Helen Scargill (HS)).

7. LPB survey update

7.1 The contents of Paper 1 (LPB survey update) and the survey research report issued prior to the meeting were noted by the Board. CH gave a brief verbal update on the main findings from the survey and asked the SAB to agree the recommendations.

7.2 Members discussed the survey outcomes and the following points were raised:

7.3 HS felt that the 73% response rate could have been better, though on the whole the group felt that this was a very positive return.

7.4 Cllr John Bell (JB) stated that it would be difficult to recommend a term of office for LPB employer representative members as elected members' tenure is governed by council elections.

7.5 Cllr John Fuller (JF) commented that annual reports should include summary data of scheme membership.

7.6 Des Prichard (DP) asked how the profile of local boards and the risks associated with the FPS can be raised within FRAs, as comments received indicate that the same importance is not attached as to LGPS boards which deal with investments.

7.7 AM responded that notional funding is not seen as a major priority to FRAs. Prior to 2006 pension costs came out of the operating account, but since the introduction of the notional fund, Authorities no longer see the full cost coming out of their budgets.

7.8 The Board agreed that the research report could be distributed to stakeholders.

8. Sub-committees update

Cost-effectiveness committee

- 8.1 The cost-effectiveness committee met on 17 January 2018. JF as chair of that group gave a brief update on items discussed, the main points arising being the organisational complexity of 44 cohorts existing within 7 different governance structures, the cost cap, administration costs, and risk. Full [minutes](#) are available.
- 8.2 Glyn Morgan (GM) commented that there is cross over with topics discussed at the other sub-committees. ME agreed that synergy is important.
- 8.3 The draft data report on the 2016 valuation assumptions was received from GAD on 21 February 2018 and the Board Secretariat with agreement from the responsible budget holders commissioned an exploratory report from First Actuarial. Both documents had been made available to the group shortly in advance of the meeting for comment and discussion.
- 8.4 CA confirmed that the cost group would be used to further investigate the reports, and report back to the full SAB at the next meeting on 20 June 2018.
- 8.5 Sean Starbuck (SS) who was unable to attend the meeting had passed his comments to Dave Limer (DL) to raise. DL thanked the secretariat for getting the papers out as quickly as possible, but this did not allow time for full consideration. DL asked what the deadline for responses was, in light of this.
- 8.6 CA confirmed that there is no deadline given for responding to the report, as it was provided primarily for information. However, there are some decisions to make with the potential to affect future valuations.
- 8.7 DL highlighted the need to interrogate any underlying trends, causes and issues, such as the increasing number of deferred members and poor quality of data. DL asked whether a breakdown of deferred membership was available which would show the percentage of optant outs.
- 8.8 AM outlined the difficulties in collecting deferred member data, which can fall into three different categories: optant outs, withdrawals, and optant-in and –outs. This makes the data particularly volatile. AM confirmed that the Home Office collect and publish opt out data.
- 8.9 HS was able to offer feedback on this issue from a practitioner perspective. There has been some uncertainty at FRAs regarding linking records, therefore an Authority may hold multiple deferred records which should more correctly be held as one continuous active record, where there has been for example a change of post or temporary transfer. Deferred data could be skewed on this basis. The data is only snapshot at the valuation date, so may not reflect a truly accurate position.

- 8.10 DP commented that the report provides factual data only and GAD have no responsibility to provide further analysis. GM furthered this point by stating that the SAB are not in position to challenge data as presented to the Board by GAD, but trends can and should be investigated. GM also highlighted that the Board don't know how data issues translate into scheme costs.
- 8.11 DL returned that the intention is not to challenge the data, but rather establish future trends for the schemes. It is preferable to raise issues now. ME added that this would stand the Board is good stead for the next valuation.
- 8.12 JF commented that this is the first valuation since the introduction of the new scheme and there are three years before the next one in which to consider any actions the SAB can take. JF highlighted a recent news article <https://news.sky.com/story/firefighters-warned-of-greater-cancer-risk-due-to-kits-not-being-cleaned-11267134> and asked whether this could be recorded for the next triennial as a local factor with the potential to affect actuarial assumptions.
- 8.13 TA stated that the data is changing due to the changing nature of the workforce, and queried which bodies are being notified that the Board have raised questions during the valuation process, in order to evidence that the SAB is fulfilling its duties.
- 8.14 ME noted that the Board's work is well publicised via the meeting minutes and website content. CA confirmed that a summary note will be issued on behalf of the SAB following the valuation, to include lessons learned and goals for the next valuation. CA proposed for the Board to tender for a permanent actuarial adviser – raised under AOB (paragraph 16.1).
- 8.15 GM agreed that this would be helpful, particularly where last minute consultation is required.

LPB-effectiveness committee

- 8.16 The LPB-effectiveness committee met on 31 January 2018. TA as chair of that group confirmed that the meeting had covered the discussion items on agenda. The minutes are available [here](#). TA thanked CA, CH, and the committee for their work on the LPB survey.
- 8.17 TA considered that the 73% response rate is credible and will help with future engagement. A number of concerns have been identified, but now the problems are known, the committee can start to address them. The committee's role over the next 12 months is to highlight and share good practice and the work plan was agreed. The next meeting will be held in April, date to be confirmed.
- 8.18 CA confirmed that the Pensions Regulator (TPR) will be invited to the next committee meeting and the next SAB meeting in June, to discuss the results of the annual Governance and Administration survey. CA highlighted from these results that an increase of 33% of FRAs with a risk register is a direct result of the work of the sub-groups, SAB and LGA events/ communications.

8.19 DP asked if there is any pattern of the same FRAs not responding to surveys, attending events, or otherwise engaging with the SAB/ LGA.

8.20 CA responded that there is no obvious pattern at present, though it is being monitored by the LGA team. FRAs with proactive administration tend to be more likely to attend events, but as they rely heavily on their administration service, scheme manager responsibility is not well covered and statutory instructions can be missed.

Administration and benchmarking committee

8.21 The administration and benchmarking committee met on 7 February 2018. DP as chair of that group gave a brief update on the main focus for the coming year – scheme specific data for the TPR annual return and minimum standards for administration, while encouraging FRAs to be more proactive. Full [minutes](#) are available. The risk register was discussed; the biggest risk to this group is considered to be data.

8.22 DL noted concern over data excluded from the draft GAD report and highlighted the difficulty for administrators in getting correct data extracted. DL requested that the item score is increased on the risk register to red.

8.23 DP restated the potential overlap in work streams for the three sub-committees and stressed the need to ensure the groups are complementing, not duplicating, each other's work. The committee work plan was detailed and meetings are to be held quarterly, with a separate work party to be convened to work on the scheme specific data requirements.

ACTION:

Board secretariat to contact D&S and H&W, WYPF regarding SLAs and invitations to tender.

9. Risk register

9.1 A draft risk register (Paper 2) was distributed with the meeting papers in advance of the meeting including all potential risks to the SAB identified by the sub-groups. Comments and discussion were invited from the floor with the aim of agreeing the risks and scoring methodology, which takes account of mitigation.

9.2 DP commented that in his experience risk is categorised as moderate, severe, significant, or catastrophic. From a governance perspective a score of 100 for pensionable pay does not look favourable, as it could no longer be addressed at Board level and would have to be referred to the Secretary of State. The scoring needs to take account of those FRAs that are applying the principles correctly/ consistently. DP suggested keeping the risk in red but moderating the score, and asked if the register scores had not been pre-populated, who within the group would have scored as 10 likelihood and 10 impact. DP added that a descriptor for number scores would be

helpful and suggested an amendment to the RAG rating: <25 green, 64> red.

- 9.3 GM agreed that a risk score of 100 would be damaging to the scheme, and added that any descriptor should also include potential impact on scheme. Francis Bishop (FB) countered that both the likelihood and impact are 10 and that the score should not be adjusted because it feels uncomfortable. The only power the SAB has is to issue guidance, so this is all that can be done. Cllr Roger Price (RP) noted that there is no leeway if initial score is set at 100.
- 9.4 DL asked if the pensionable pay risk is reduced, what the basis for this would be. CA agreed that evidence is needed for scores allocated and this should be reflected in the final agreed register.
- 9.5 CA proposed that as data has a direct impact on member outcomes, this item risk should be increased to the red category (8x8 score) with the aim of reducing into amber through the Board's workplan. There was agreement within the group that there is clear evidence of poor data.
- 9.6 HS noted that as there is likely to be variance in standards within administrators/ FRAs it would be hard to score across the board. FB agreed that red would be the appropriate category and suggested the addition of a further column to the register for mitigation.
- 9.7 RP queried the inclusion of LPBs on the SAB register, as local boards should have their own risks and register. CA and ME clarified that it is the SAB's responsibility to guide LPBs and this could constitute a failure of the Board if local boards are not carrying out their duties.
- 9.8 JF suggest that single points of failure should be added to the register. CA highlighted that this is included under 'knowledge' and split into two sections, though a further section could be added – at administrator level. CA added that the score for this risk would be greater if the SAB/ LGA team had not already started mitigating through web and communications resources.
- 9.9 CA suggested that legislative challenge be moved into the amber category due to the difficulty in obtaining new legislation. The Board should consider how guidance can provided to FRAs in the absence of regulations.
- 9.10 CA proposed at this point that the register be distributed to the Board as a spreadsheet for scoring and comment, as considering each item in turn was proving to be time-consuming. The agreed register will be reviewed at each meeting via a standing agenda item, with a detailed review taking place annually.
- 9.11 DP suggested the following additional items for the register: breach of cost cap; third party challenges. TA remarked that breaching the cost cap would be an impact of the existing risks, and noted that the NHS risk register uses a definition for each colour, rather than numerical scoring.

10. Budget paper

10.1 CA introduced the draft budget (Paper 3) which was distributed prior to the meeting to demonstrate current budget spend and plan the future budget. Details of the levy are included with payment still awaited from 4 FRAs. RP queried what happens if the levy is not paid. CA confirmed that it can roll over into the next budget year.

10.2 CA highlighted the tax awareness sessions delivered at around £75 per head, to a combined police and fire audience and noted that TPR have been very vocal on the value of the Fire SAB. CA sought agreement on the reserve.

10.3 JB commented that as the Board and budget are still in the early days, the carry forward should be retained as contingency.

10.4 JF asked when the role of Chair is up for renewal and suggested that this should be a remunerated post in the future due to the level of work and commitment involved, payable by allowance rather than salary. JF quoted comparative figures and suggested that an executive chair may be required. Recruitment and retention of the right person is essential.

10.5 ME noted that the figures quoted were for elected members, but would need to take into account payment for NEDs/ independent chairs. The role requires approximately 2-3 days per week and may get more interest if advertised as a paid post.

10.6 DP expressed surprise that the post is unpaid and queried if there is anything that can be done now before the current chair is replaced, to take forward to the Home Secretary.

10.7 GM asked how much time chairs of equivalent boards are committing to the role, as the Board need to know how much work is involved. CA confirmed that even paid chairs do not commit as much time as ME, but those boards may not be as well governed. The level of impact of the SAB was not known at the outset. CA agreed that this issue needs to be considered in detail for next year's budget and confirmed that the proposed analyst post has been disregarded.

10.8 CA asked the Board to note that proposed increase of just under £1 per member in next year's levy at £6.79 per head. This would rise to £7.38 if the paid chair post was included as an additional cost.

10.9 JF proposed the provision of £20,000 including on-costs and suggested the chairs of the sub-committees meet to discuss and research comparative posts, with the recruitment process to commence within the next financial year.

10.10 DP supported the suggestion of a benchmarking meeting with committee chairs and the Board secretariat. DP agreed that money be allocated within the budget using part of the carry forward if necessary, as a professional board should have a paid chair.

- 10.11 AM raised whether recruitment and retention of the chair post should be reflected in the risk register.
- 10.12 TA commented that the increase in levy can be justified in terms of the communications and events provided to support FRAs/ LPBs, particularly the new administration and regulations website.
- 10.13 RP suggested that representation could be made to central government for funding for the chair post, as the role of the Board is to provide advice and guidance to the Secretary of State. This is to be added to the recommendations.

11. Feedback from tax awareness seminars

- 11.1 Annemarie Allen (AA) from Barnett Waddingham (BW) attended the meeting to provide feedback on the series of tax awareness seminars held between October 2017 and January 2018 which were procured through the SAB budget in conjunction with NPCC.
- 11.2 Background – seven Fire specific sessions were held nationally in BW offices; six for Police. This offered economy of scale and the final cost of attendance at the event was £75 per head for Fire and £79 for police. Careful thought was given to timings, running events on consecutive dates, and keeping to a half day session to reduce catering and accommodation costs. This will be adopted as a model for future training events.
- 11.3 Aim – the sessions were developed in response to a SAB challenge, to promote greater understanding among members making retirement and promotion decisions, to determine whether FRAs are compliant, and to encourage education of the workforce.
- 11.4 How did it go – there was a general level of awareness in the mechanics of pensions tax, which is a complex area. The audiences were of mixed levels of knowledge and there was good, open engagement by fire audience: of the three hour sessions, around one hour was discussion and networking. The sessions were aimed at scheme managers and decision makers, but were also attended by administrators, systems administrators and the Home Office. There were some very positive outcomes and even the most experienced delegates found them beneficial. Stakeholders were given cross-industry appreciation and feedback from attendees was good.
- 11.5 Follow up – further to the sessions, individuals have been contacting BW to check their understanding. There have been requests for additional workshops for those new to administration and on the mechanics of pension taxation, plus a more detailed workshop on specific issues for more experienced administration staff. Authorities are now also thinking about long term changes around future planning, flexibility, and workforce retention; plus potential provisions for tax management, for example remaining in the scheme with no further accrual, salary cap, 50/50 (LGPS only), while being aware of the legislative embargo. The LGA could consider following up with delegates to find out what action they have taken.

11.6 HS commented that changes can be made outside of legislation to ease tax burdens, flexibility within the incremental pay scales such as not using competent 'A' scales could be exercised to manage AA breaches.

11.7 Lessons learned – the model provided a good way of providing cheap training, and feedback on venues was useful.

11.8 DL thanked AA, having attended a session and found it very interesting. DL queried whether there were any common questions/ themes. AA confirmed the main queries were around the provision of administrator training sessions and the tight timescales for Mandatory and Voluntary Scheme Pays (MSP and VSP). Awareness of boards was raised in this area.

11.9 DP commented that more individuals are now falling liable to AA charges that weren't expecting to be, and changes to schemes at a strategic level could be investigated. JF considered whether there were options for members which would assist in managing the cost cap.

11.10 CA summarised the recommended actions arising from the sessions. There is a clear demand for administrator sessions, the secretariat to investigate procurement options and whether this should be a chargeable event or funded through the levy. While individual taxation is a member responsibility, literature could be commissioned for FRAs to send with pension saving statements to improve member knowledge, with posters advertising the deadlines for MSP/ VSP. CA considered whether FRAs should be providing individuals with access to specialist advice. There may be scope for a future options paper/ business case to the Home Office to help individual to manage their tax liabilities.

11.11 GM supported the procurement of administrator training from the SAB budget in principle and suggested a brainstorming session take place. HS added that it would also be useful to have a promotional consideration leaflet for members. RP advocated a poster on the notice board at each fire station highlighting pension issues.

ACTION:

Include follow up article in future bulletin with 'next steps - what are you doing?'

12. Workplan for 2018

12.1 During the discussion that took place at the SAB meeting on 1 December 2017, JF commented that the next meeting of the SAB should include a strategic review of administration and management of the pension scheme in order for the SAB to make specific recommendations, and inform their work plan.

12.2 The three sub-groups considered this challenge at their individual meetings and the following items were agreed (Paper 4):

- For the SAB to consider the recommendations in the LPB survey report.

- For the SAB to consider mitigations to identified risk
- To provide an options paper to SAB on future administration of the scheme
- For the SAB to consider including in the budget, further resource to provide additional support to board secretariat in the form of an analyst post.
- Benchmark review of administration costs
- For the SAB to lead scheme specific data review

12.3 In consideration of the above the Board were also presented with:

- A paper summarising the current position of pension boards including recommendations (Item 7, Paper 1)
- A paper to consider risk that the SAB should monitor (Item 9, Paper 2)
- The opportunity to consider next actions with regards to ensuring individuals are aware of tax implications
- A proposed budget for the 2018/2019 scheme year (Item 10, Paper 3)

12.4 Comments were invited on the workplan. CA confirmed that the administration cost and benchmarking should be undertaken prior to review of scheme administration options. ME remarked that the plan needs to be achievable.

12.5 DL proposed that as the Cost group is looking at valuation, the LPB group could look at data issues. CA noted the intention for the Administration and benchmarking group to lead on scheme specific data and that items will tend to flow from group to group.

13. Technical group update

13.1 No update as technical meeting of 28 February postponed.

14. Update on actions summary/ items delivered

1. Items highlighted in yellow indicate completed actions since the last meeting:
 - Board policies to be drafted – timetabled for next year
 - To note that past service costs on pensionable pay remains a risk
 - Board to ensure LPBs are aware of their duties and provide central guidance – Ongoing, Clair provides board training, SAB website includes LPB resources page
 - Survey FRAs on impact of pensionable pay – Timetable to review by March meeting (Legal advisors bid paper has been issued)
 - Draft guidance note to boards to ensure they satisfy themselves that pensionable pay is correct in light of Norman V Cheshire – to be completed once legal adviser is on board

- To issue bulletin on PPA – to be done using comms style guide. Issued 26 February 2018.
- Risk strategy
 - LPBS – provided some guidance, working with Essex
 - Board – completed – see Paper 3.
- Tax awareness sessions – completed
- Awaiting SoS to appoint new members – completed
- Voluntary Scheme Pays – completed
 - Home Office (no legislation expected)
 - LGA issued VSP guidance in bulletin 4
- SAB to lead on data improvement – In progress - data conference, working with admin and bench marking committee
- SAB to work with sub committees to develop standard list
- SAB to champion use of on line technology – article for future bulletin
- SAB to undertake strategic review (Paper 4)
- Draft budget to be prepared (Paper 3)
- October meeting date to be consulted – 4 October 2018
- Board to invite Annemarie Allen to provide feedback

15. Future meeting dates and venues

Scheme Advisory Board Meetings

All meetings to be held at 18 Smith Square 10.30am until 3.30pm. Details are held on the member area of the SAB website.

Wednesday 20 June 2018

Thursday 4 October 2018

Wednesday 5 December 2018

AGM –17th & 18th September (amended)

16. AOB

16.1 Actuarial adviser to the board [[Item 7 – Minutes 25.09.2017](#)]

The board agreed not to appoint a permanent actuarial adviser to the board, and tender ad-hoc for business when needed, but might the board re-consider to tender for an actuarial adviser under the following terms

The successful firm will be required to:

- Attend the board [when required, likely to be a maximum of twice a year] read, prepare, attend and give advice on key matters that arise
- On occasion provide or give input into a report to the board on actuarial implications
- Provide actuarial legal advice to the board

- It will not include providing actuarial advice on complex matters which would be subject to separate procurement.

*Complex matters would be matters priced at over £3k

An example of the invitation to bid for legal advisers -

<http://www.fpsboard.org/images/PDF/Consultations/Legalbid.pdf>

16.2 Ombudsman determination on pensionable pay (email of 6 March 2018)

Looking for agreement to following

- The board instruct legal advisers and secretariat to work jointly on providing guidance to Fire Authorities, albeit it will be prudent to wait until we also have the second ombudsman determination so the two can be considered together. The secretariat has now started the [process](#) of recruiting a legal adviser to the board, and the firm should be in place by mid-April in order to assist.
- An article in the next [bulletin](#) to immediately publicise this case to Fire Authorities

“I am writing to inform you of a recent decision by the pensions ombudsman with regards to pensionable pay for a retained firefighter with various allowances. - <https://www.pensions-ombudsman.org.uk/wp-content/uploads/PO-15584.pdf>

The ombudsman has upheld the complaint and determined that the authority should treat the disturbance, work activity and training attendance payments as pensionable pay (see paragraph 65 for the full direction).

This determination will now have an impact on other Fire Authorities who may have made similar decisions, however as per the ombudsman comments in para 64, which states that this is not a class action case, the ombudsman does not have the power to bind others. I can therefore confirm that the Scheme Advisory Board have taken an action to provide guidance on this case and will work with their legal advisers to provide as soon as possible – An update on a timetable for this work will be provided at the end of April.”

16.3 JF requested an agenda item for the next meeting to discuss quorum, as SAB quorum is set higher than any other committee JF sits on.

16.4 FB raised a query regarding eligibility for FPS for second-tier entry. CA confirmed that legal advice can be obtained once an adviser has been appointed, in the meantime it is important to establish the basis for decisions. While guidance has previously been issued on eligibility, AM highlighted that a limitation of guidance is that it is reliant on one person’s opinion.

Report

Survey of FRA Local Pension Boards 2017

February 2018

Research Report

**Prepared for the Firefighters' Pensions (England)
Scheme Advisory Board.**

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1. Executive Summary

1.1 Board meetings

All local pension boards responding to the survey have held their first meetings, with the majority taking place between July and October 2015. Over half (54%) of boards are required to meet twice annually, and none have agreed to meet more than four times per year.

The majority (81%) of boards have held between four and eight meetings since establishment and around three-quarters (76%) have held a number of meetings since their initial meeting which is consistent with the number per year defined in their Terms of Reference, within a tolerance of +/- two.

Board chairs were responsible for agreeing meeting agendas in over half (57%) of the responses received, and with meetings in 86% of cases not including voting as a regular feature.

1.2 Board membership

All boards (100%) have the minimum required equal number of employer and employee representatives, with almost two-thirds (62%) of respondents confirming that they operate with two of each, equating to four in total.

Overall, only 11% of boards have reported as a meeting as not being quorate, therefore it can be surmised that the number of members on a board does not directly affect quorum.

The board chair is most likely to be elected by board members (60%), with almost one-quarter (22%) being chosen by the scheme manager. The least popular (5%) method of selection is recruited competition. A high proportion (87%) of chairs are also board members, with four-fifths of the 14% of independent chairs being recruited by competition or other means.

Board chairs and members are not commonly remunerated for their roles, with only 8% of respondents confirming that regular payments are made. 84% of chairs and 89% of other board members are not remunerated. However, expenses are paid to over half (57%) of boards, and over three-quarters (78%) of employee representatives are granted facility time to attend meetings.

1.3 Key documents/ processes

Almost three-quarters of boards have all key documents and processes in place to enable efficient and effective scheme governance and all processes were evaluated at six or above. In four out of the five categories there is a direct correlation between the rating score and the presence of the document or process.

Table 1.3.1 – Presence and evaluation of key documents and processes – mean ratings.

Document/ process	Rating (mean value)	Process in place (%)
Terms of Reference	8.5	100
Conflict of Interest register	8.1	97.30
Register of breaches	6.7	70.27
Risk register	6.9	72.97
Programme of knowledge...	7.3	97.30

1.4 Scheme governance

The majority (92%) of boards are compliant with guidance issued by the SAB, with one board commenting that increased knowledge and understanding would help to ensure compliance.

Themes relating to good governance where boards were asked to comment on areas that are working well include joint working and collaboration, ability to monitor compliance, and an increased awareness of issues affecting the Firefighters' Pension Schemes. Areas that could be improved, which are potential risks to boards, are the implementation of breach and risk registers high turnover of board membership and the associated maintenance of knowledge and understanding.

Lack of consistency in response to the questions concerning the role and delegation of the scheme manager highlighted that there may be uncertainty around this issue, or that the wording of the questions lacked clarity. Almost one quarter (24%) of boards listed the FRA as scheme manager, yet 95% confirmed that there is an effective delegation in place and rated the management of the delegation as 8.1 out of 10.

Generally the interaction of the scheme manager with the board and the board's ability to highlight areas of non-compliance and make recommendations was rated as good (seven and above), and administrator engagement was also high, with 86% attending a board meeting in any capacity.

Around one-third (35%) of boards have identified a breach of law within the last 12 months.

Table 1.4.1 – Evaluation of scheme manager/ board interaction and board's ability to... – mean ratings.

Process	Rating (mean value)
Scheme manager/ board relationship	8.2
Board ability to identify non-compliance	7.2
Board ability to make recommendations	7.9
Scheme manager response to recommendations	8.0
Effectiveness of communication	7.8

Boards suggested that working relationships could be improved by better communication, provision of reports and more clarity on roles and responsibilities. Comments on new governance requirements focussed mainly on the perceived complexity of the arrangements, as being disproportionate to the unfunded nature of the scheme and lack of decision making responsibility, though there were some positive comments on improvements to the management and administration of the schemes.

1.5 Board communications

Almost two-thirds (65%) of boards have dedicated pages on the associated Fire & Rescue Service website or intranet, with 75% confirming that meeting documentation is published to a dedicated board page.

Nearly half (49%) of FPS boards have a workplan compared to 86% of LGPS boards, and a slightly lower percentage (41%) produce an annual report. Boards are unlikely to tangibly measure their progress, as just under one-quarter (24%) have agreed success measures of Key Performance Indicators (KPIs) in place.

1.6 Board budget

Almost one in four (24%) boards have control of a budget, and 22% of these boards use the budget to remunerate their chair.

All boards with a budget can use it to access independent external advice. As expected there was a high percentage (60%) of not applicable responses, which reflect the 68% of boards without control of a budget. The majority (87%) of boards do, however, have access to internal and external audit reports,

2. Introduction

[Regulation 4A](#) of The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 required Fire and Rescue Authorities (FRAs) to establish local pension boards by 1 April 2015 to assist them in the effective administration and governance of the scheme.

Given the passage of time since the establishment of local pension boards, the Scheme Advisory Board considered that it would be appropriate and timely to test the effectiveness and operational efficiency of the new governance arrangements with particular emphasis on the role and function of the 44 local pension boards and interaction with their scheme manager.

A web based survey was issued with the aim of enabling the Scheme Advisory Board to identify any areas of the legislation or related guidance affecting local pension boards that may need to be reviewed to ensure that the statutory requirements of the 2015 Regulations and code of practice issued by the Pensions Regulator are being met. Where appropriate, based on the responses, the Board have the ability to make recommendations to the Home Office for any regulatory changes that are considered necessary.

3. Methodology

The survey was designed by the Scheme Advisory Board secretariat in conjunction with the [Local Pension Board Effectiveness Committee](#) (the "Committee"), based on an equivalent survey of local pension boards in the Local Government Pension Scheme (LGPS). A list of questions is attached at Annex A.

All relevant stakeholders were invited by email to participate in the survey and, to ensure impartiality, the link to the survey was sent separately to FRA scheme managers, practitioners, and their local pension board who were welcomed to complete the same survey independently. However, scheme managers and their local pension board were not excluded from collaborating on their respective responses where this was agreed locally.

The link to the survey was circulated to other interested bodies, including relevant government departments, and advertised nationally on the Scheme Advisory Board website, with FRAs also invited to publicise the survey locally on their websites.

3.1 Fieldwork

The survey was issued on 28 November 2017 for a minimum period of six weeks. A reminder was sent on 8 January 2018 with confirmation of the closing date as 26 January 2018, allowing the summary responses to be discussed at the meeting of the Committee on 31 January 2018.

Three responses were received after the closing date, but have not been considered in the analysis of the results.

37 responses were received from 32 of the 44 FRAs, equating to response rate of almost 73%. The information collected has been aggregated and no responses have been attributed to individual authorities within this report. A list of FRAs that completed the survey is attached at Annex B.

Throughout the report percentages in figures and tables may equate to more or less than 100 per cent due to rounding

3.2 Respondent profile

Almost 65% of completed surveys were submitted by local pension board members in either an individual or joint capacity. Scheme managers accounted for 11%, with pension advisors/ administrators completing in 16% of cases. Half of the latter group (8%) acknowledged that the survey had been completed in conjunction, or following consultation, with board members.

Table 3.2.1 – Capacity in which survey completed

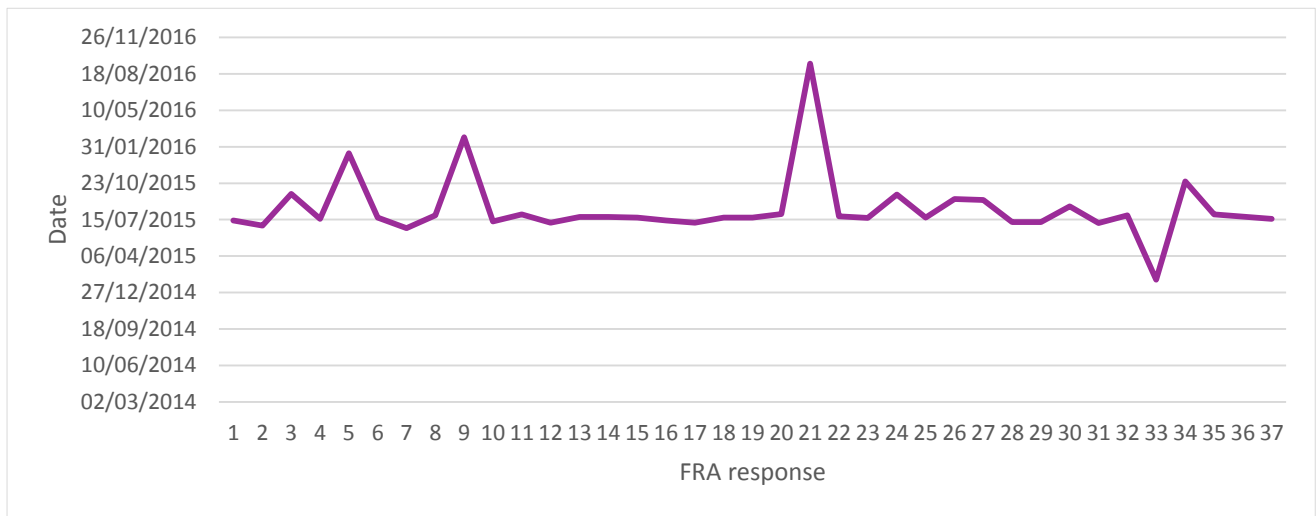
Role	Total (Percentage)
LPB employer representative	18.92
Pension adviser/ administrator	16.22
Joint response	16.22
LPB chair	13.51
Scheme manager	10.81
LPB lead contact	8.11
LPB employee representative	8.11
Other	8.11

4. Research findings

4.1 Board meetings

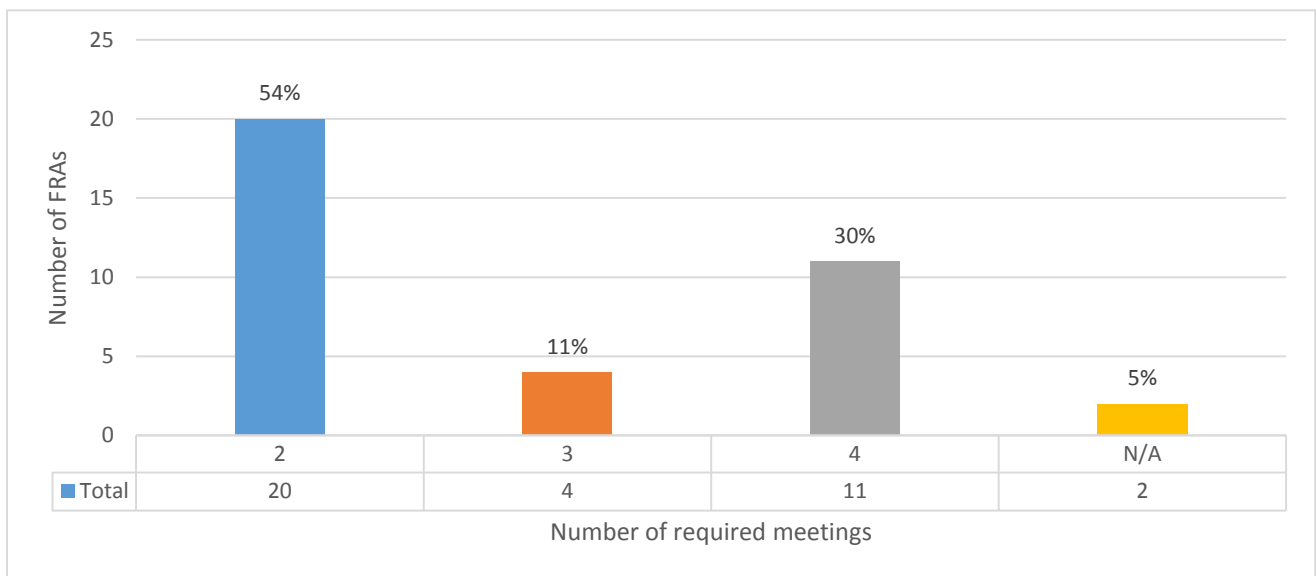
All initial local pension board meetings were held between 31 January 2015 and 15 September 2016.

Figure 4.1.1 – Date of first board meeting.



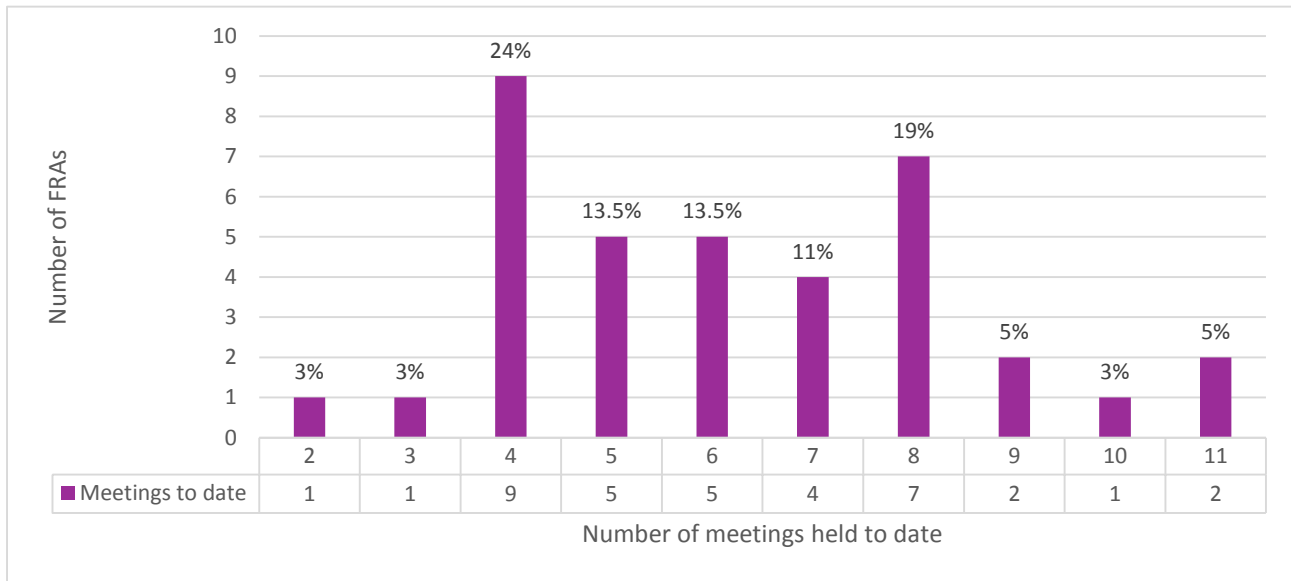
Over half (54%) of all boards are required to meet twice annually, with 11% meeting three times per year and 30% meeting quarterly or four times. One board does not have a requisite number of meetings specified in their terms of reference.

Figure 4.1.2 – Number of times per year the board is required to meet.



The number of meetings held to date ranged from two to eleven, with the majority (81%) of boards holding between four and eight meetings in total since their first meeting.

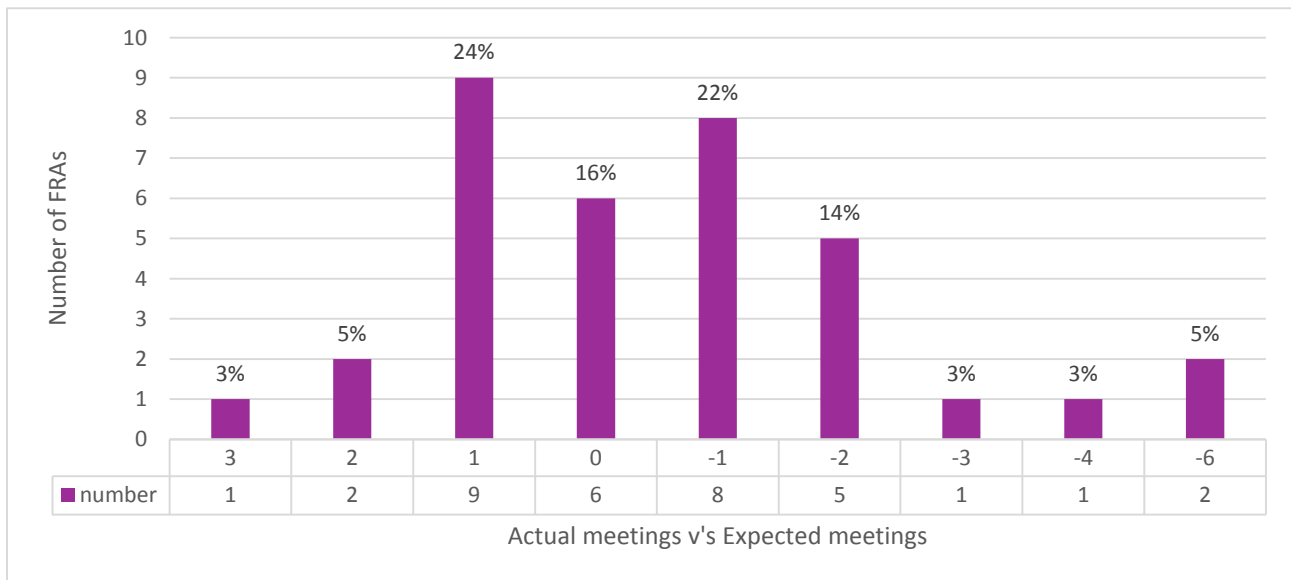
Figure 4.1.3 – Number of meetings held to date.



From comparing the results above, it has been possible to establish whether boards have achieved the number of meetings specified in their terms of reference, by plotting the number of required meetings against the actual meetings that have taken place, since the date of the first meeting.

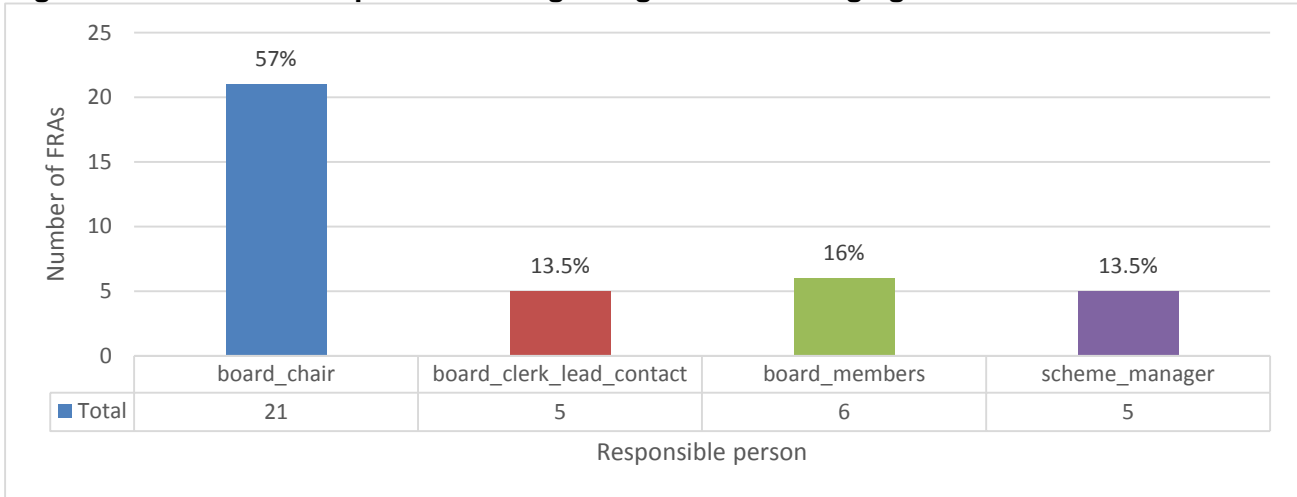
In general, the number of meetings required was consistent with the number that have taken place, within a reasonable tolerance of between -2 and +2 (76% of respondents). A smaller percentage of boards (19%) fell outside of this range.

Figure 4.1.4 – Actual number of meetings v’s expected number of meetings



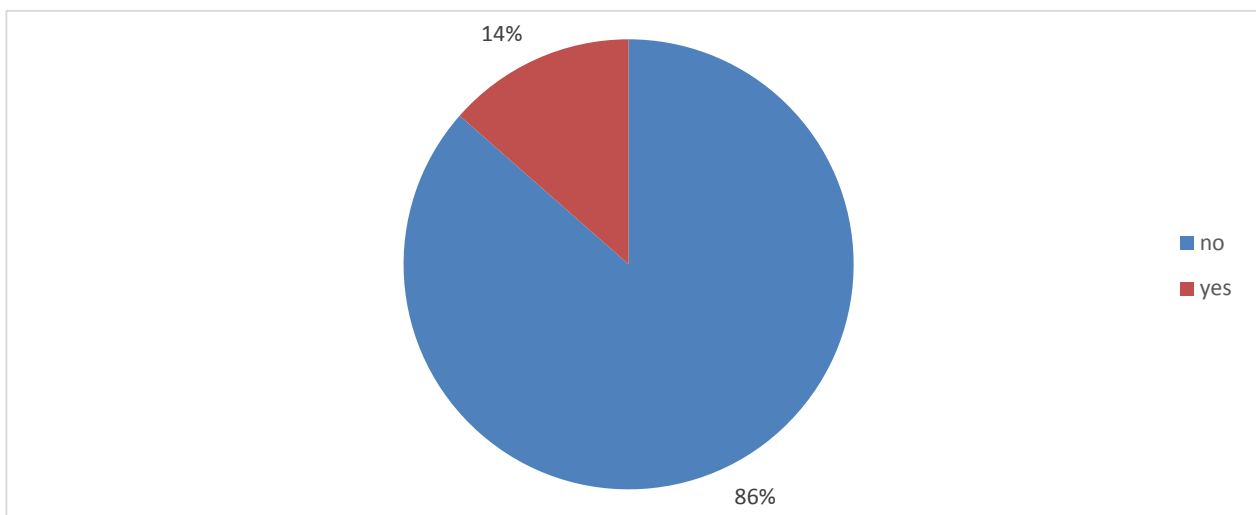
The board chair is responsible for agreeing the meeting agendas in over half (57%) of the responses received. There was a fairly even split between the remaining options listed in the drop down box: board clerk/ lead contact (13.5%); board members (16%); and scheme manager (13.5%).

Figure 4.1.5 – Person responsible for agreeing board meeting agendas.



Voting is not a regular feature of local pension board meetings, as confirmed by 86% of respondents.

Figure 4.1.6 – Proportion of boards with voting as a regular feature of meetings.



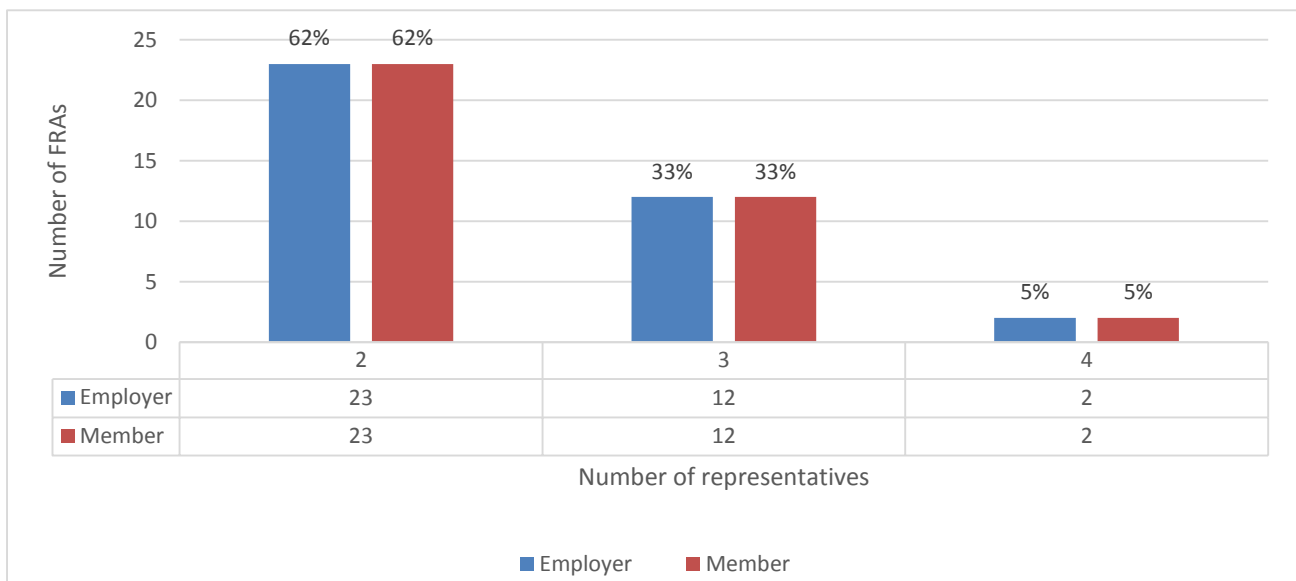
4.2 Board membership

Membership of the board is defined in [regulation 4B](#) of The Firefighters’ Pension Scheme (Amendment) (Governance) Regulations 2015:

“A local pension board must include an equal number, which is no less than 4 in total, of employer representatives and member representatives...”

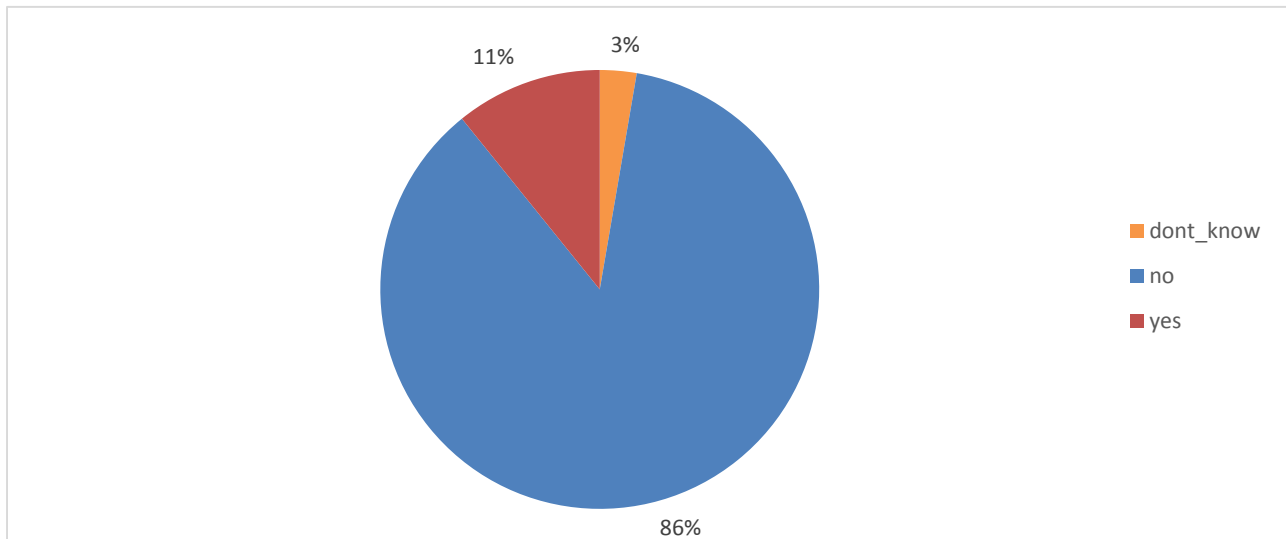
All of the respondents to the survey are compliant with this provision, with numbers ranging from two to four employer and employer (member) representatives in equal quantity. The majority of boards (62%) have elected to proceed with the minimum required number of two representatives in each category.

Figure 4.2.1 – Composition of the boards.



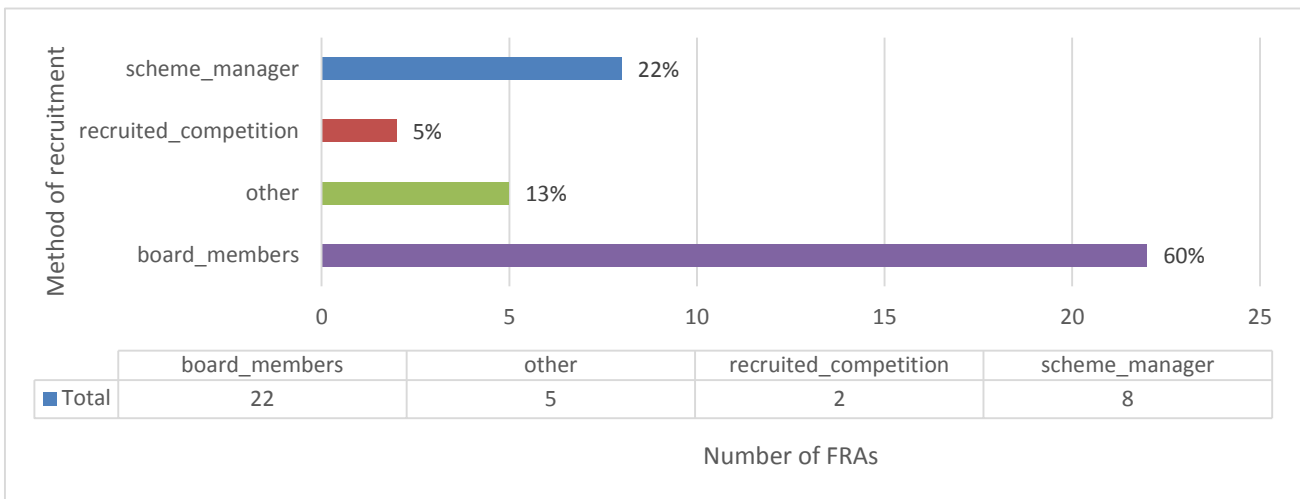
Each board’s Terms of Reference should specify a quorum for meetings and in particular whether that quorum should include a minimum number of employer and member representatives. According to the survey results, 11% of boards have held a meeting which was not quorate, 86% indicated that their board meetings have always been quorate and 3% did not know. There is no direct correlation between the number of members on a board and the likelihood of a meeting being quorate or not.

Figure 4.1.5 – Have any board meetings not been quorate (proportion).



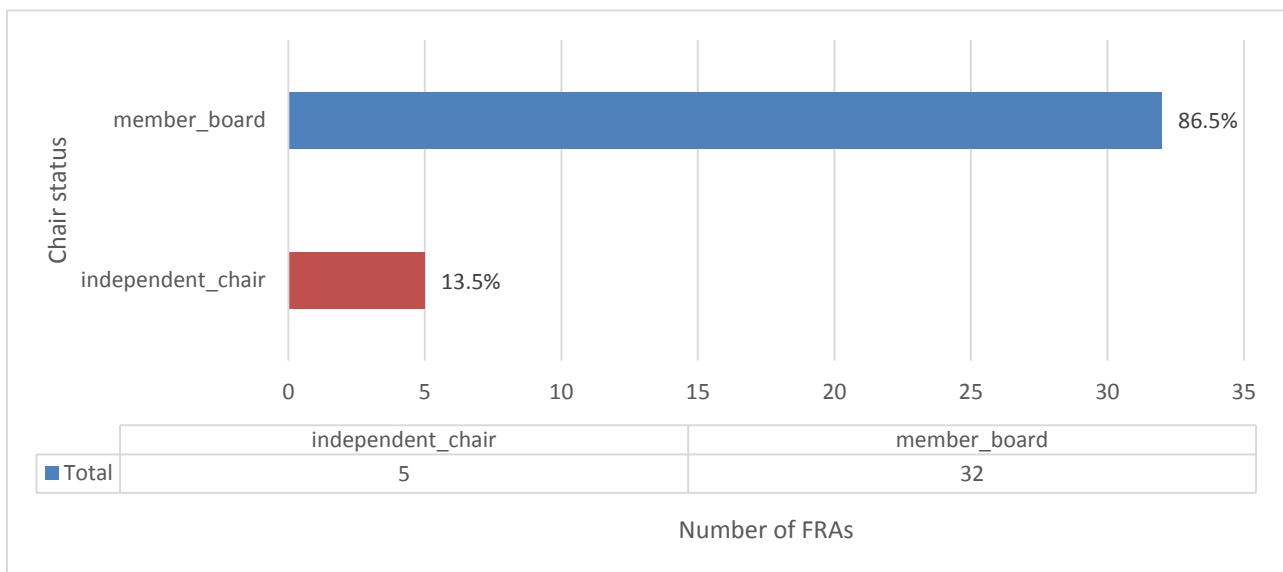
In 60% of responses, the chair of the board was elected by the board members, with 22% of scheme managers electing a chair. Only 5% of chairs were appointed following a recruitment competition, with the remaining respondents (13%) indicating that the chair was elected by other means.

Figure 4.2.2 – Recruitment of board chair.



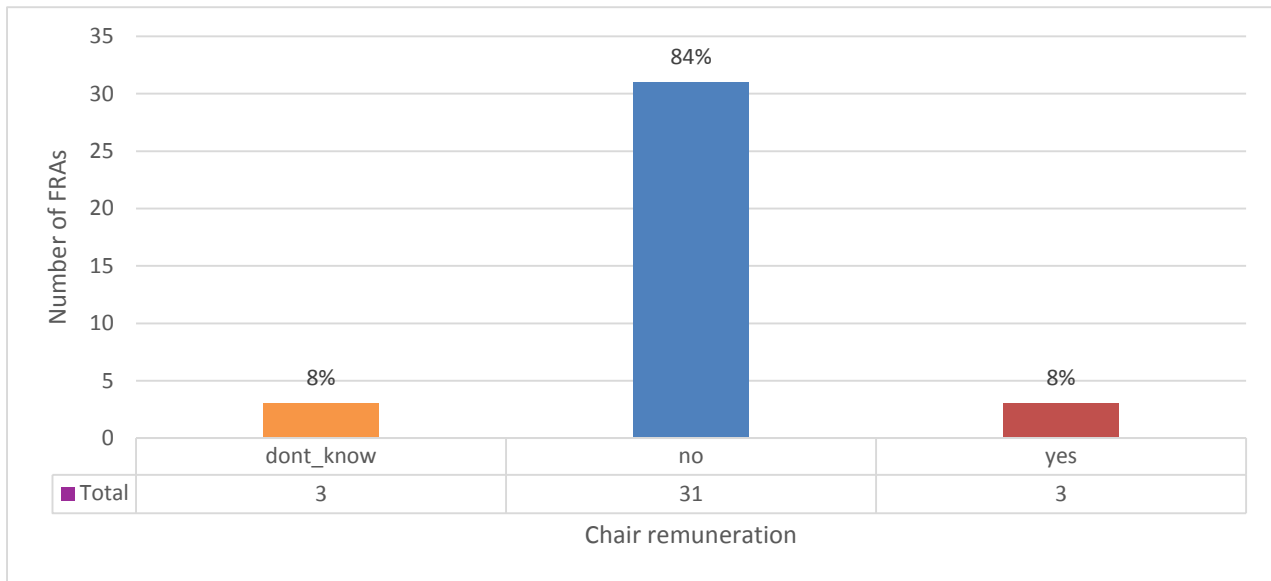
The majority of board chairs (86.5%) are also active members of the board, while the remaining 13.5% are independent chairs. There is some correlation between the status of the chair and the method of recruitment, with four of the five boards with an independent board chair stating that recruitment was carried out via competition or other means.

Figure 4.2.3 – Status of board chair.



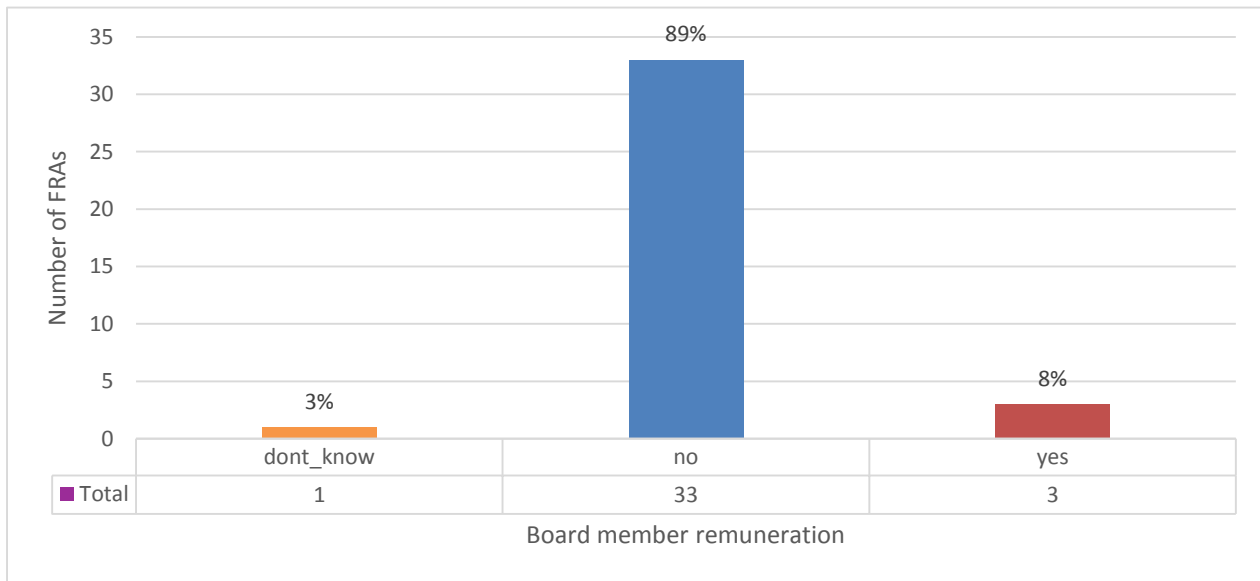
There was, however, no evidence that the status of the board chair impacted on whether they receive remuneration for the role. Almost 84% of chairs receive no remuneration, 8% are paid, and 8% of respondents did not know whether the chair receives payment or not.

Figure 4.2.4 – Remuneration of board chair.



The three boards (8%) with a paid chair also remunerate other members of the board. A higher percentage (89%), of respondents indicated that other board members do not receive payment compared to the chair role and the remaining 3% did not know.

Figure 4.2.5 – Remuneration of board members.



While remuneration is not common, over half (57%) of the completed surveys indicated that expenses are paid to board members. However, 40% do not pay expenses and 3% did not know whether expenses were paid.

Figure 4.2.6 – Board member expenses.

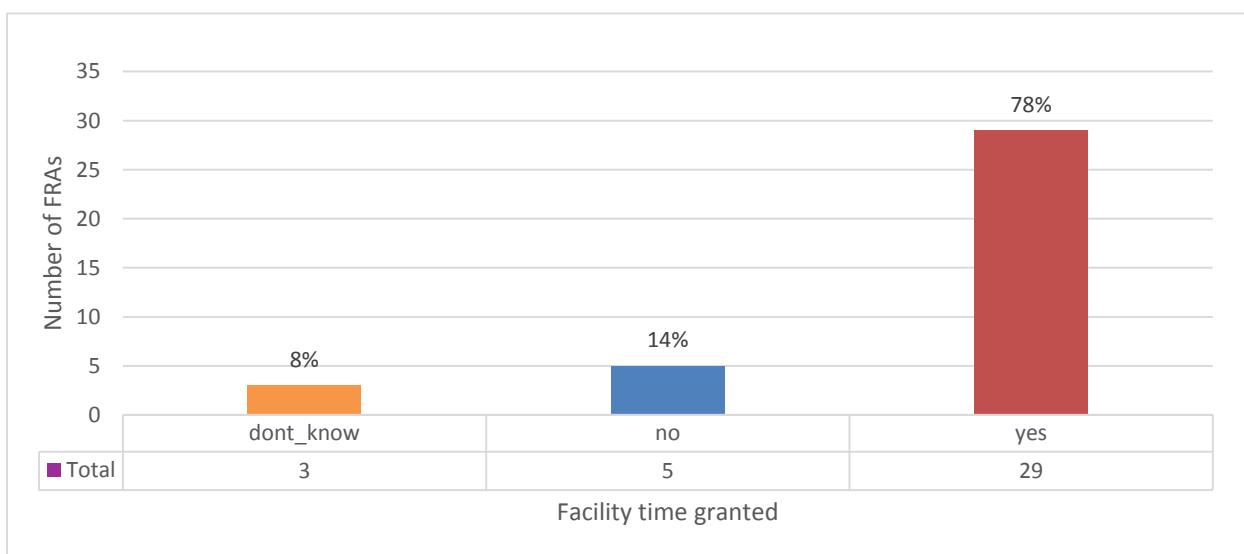


The wording of the question concerning ‘facility time’ was generally deemed to be confusing by the Committee, as the terminology is specific to trade union bodies. The intention of the question was to determine whether board members were given the appropriate support, which might be in terms of time, in order to be able to fulfil the requirements of the regulations [[Regulation 4B\(2\)\(a\) and \(b\)](#)] that a member should have ‘capacity’ to represent scheme members/ employers. This point is reiterated in the [LPB guidance](#) at paragraph 2.16:

2.16 It will be important to appoint members who have the relevant experience as well as time to commit to attending meetings and effectively representing employers and members (as appropriate).

It is unclear whether any uncertainty in relation to the question affected the results. A high proportion (78%) of boards indicated that facility time was given by the scheme manager to employee representatives of the board, while just under a quarter of respondents answered no (14%) or don’t know (8%).

Figure 4.2.7 – Facility time given to employee representatives.

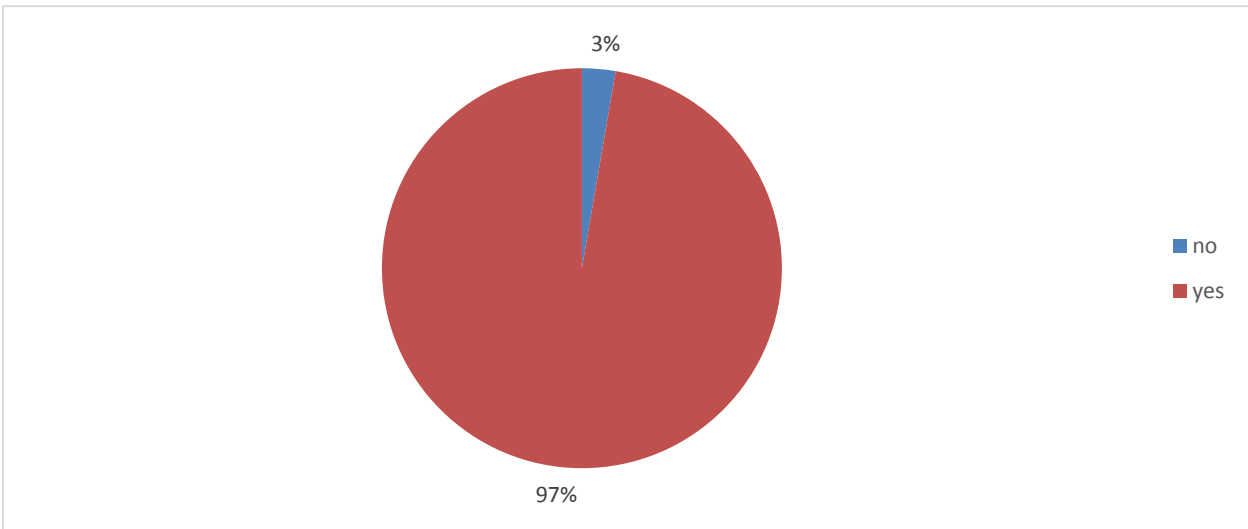


4.3 Key documents/ processes

100% of boards confirmed that they have a Terms of Reference in place. Where these have been made available to the Scheme Advisory Board secretariat, they have been uploaded to the dedicated local pension board section of the Board website www.fpsboard.org.

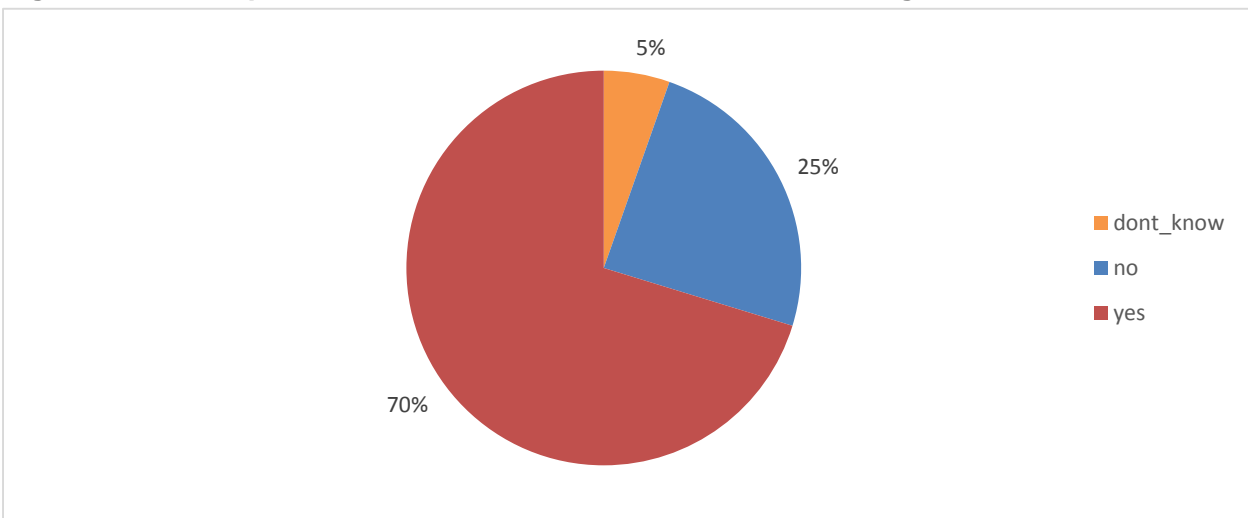
A high proportion (97%) of boards also hold a conflict of interest register, with just one respondent (3%) indicating that no register of conflicts exists.

Figure 4.3.1 – Proportion of boards with a conflict of interest register.



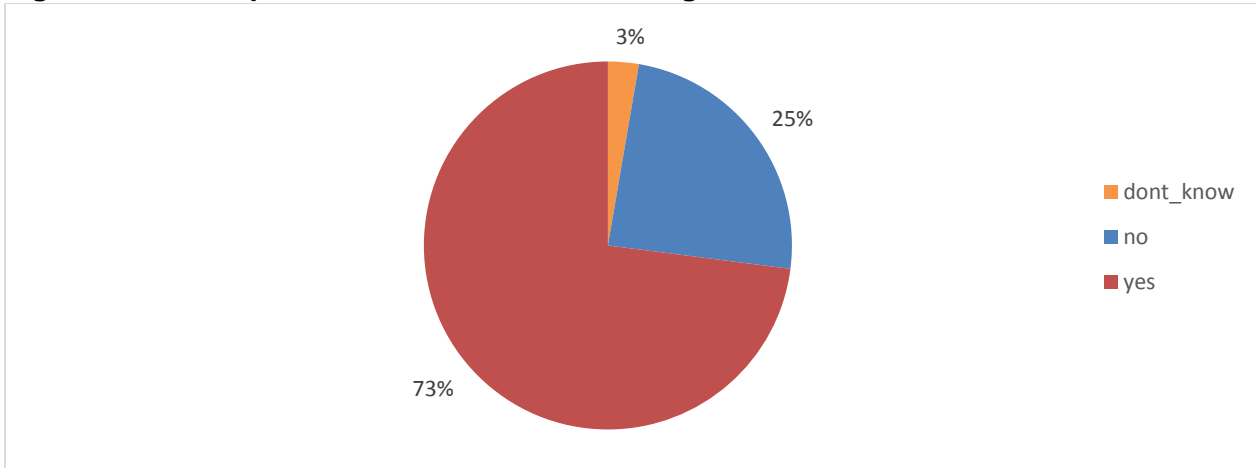
Around 70% of boards keep a register of breaches of the law, with one-quarter (25%) having no register of breaches in places, and 5% responding that they did not know.

Figure 4.3.2 – Proportion of boards with a breaches of the law register.



A similar response rate was noted concerning risk registers. A slightly higher percentage of boards have a risk register, at 73%. One-quarter (25%) have no register to record and measure scheme risk, and 3% did not know. A template risk register is available from the resources page of the dedicated local pension board section of the Scheme Advisory Board website www.fpsboard.org.

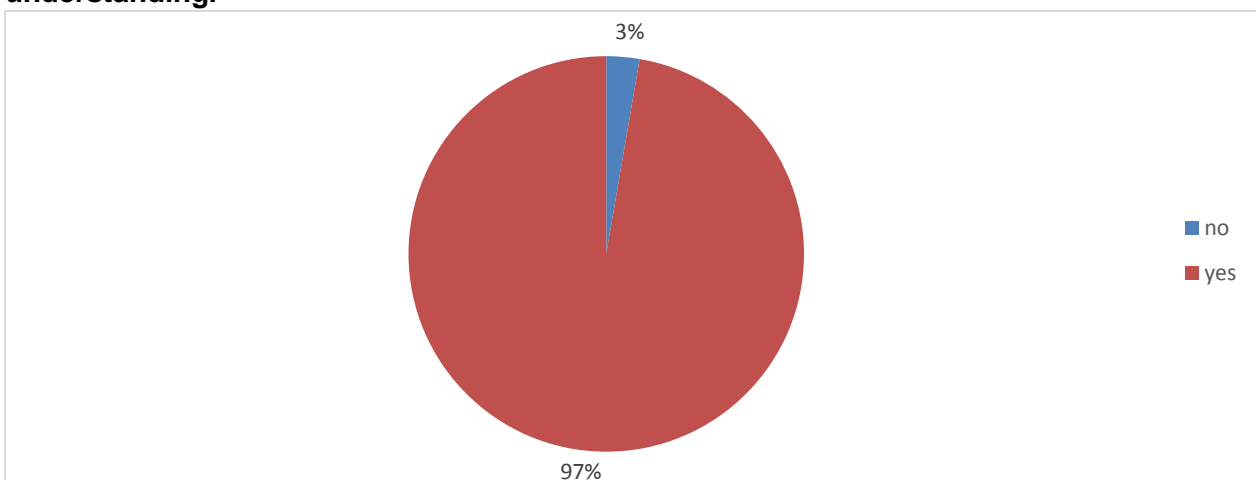
Figure 4.3.3 – Proportion of boards with a risk register.



The responses concerning the key documents are considered by the Committee to be very positive, and these results will be compared to the outcomes of the annual TPR Governance and Administration survey when that research is published later in the year.

In terms of key processes, the majority of boards (97%) confirmed that there is a training programme in place for board members to acquire knowledge and understanding, with only one board (3%) having no arrangement in place. A variety of training was detailed as having been completed in the free text responses, focussing mainly on the TPR toolkit and sessions provided by the LGA Firefighters' Pension Adviser.

Figure 4.3.4 – Proportion of boards with a programme for members to obtain knowledge and understanding.



Schemes were asked to evaluate their key documents and processes using a 1-10 scale (where 1 was 'very poor' and 10 was 'very good'). All processes were rated at six or above. In four out of the five categories there is a direct correlation between the rating score and the presence of the document or process. However, the programme for board members to acquire knowledge and understanding is not consistent with this trend.

Table 4.3.5 – Evaluation of key documents and processes – mean ratings.

Document/ process	Rating (mean value)	Process in place (%)
Terms of Reference	8.5	100
Conflict of Interest register	8.1	97.30
Register of breaches	6.7	70.27
Risk register	6.9	72.97
Programme of knowledge...	7.3	97.30

4.4 Scheme governance

Almost all boards (92%) are compliant with guidance issued by the Scheme Advisory Board. There were no negative responses; the remaining 8% did not know. Comments were also invited where the board was non-compliant, with three free text responses being recorded.

Figure 4.4.1 – Compliance with SAB guidance.

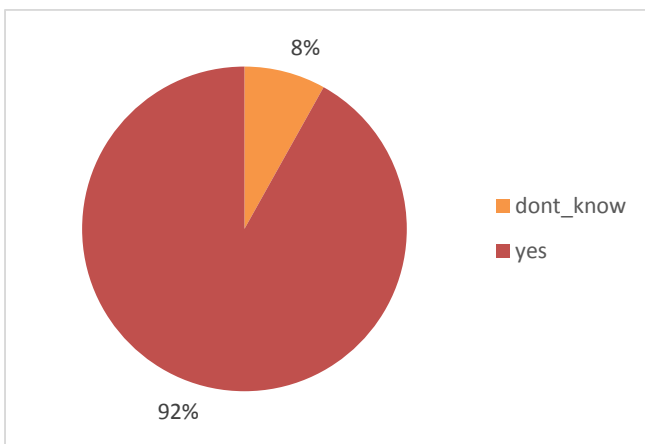


Table 4.4.2 – Comments on compliance.

Comments
The knowledge and understanding of Board members could be better, this knowledge will help to ensure compliance.
The scheme board considers notifications from the Scheme Advisory Board.
There have been no breaches, however a formal breaches register has not been set up. There is a corporate risk register, however, pensions is not currently covered by the register.

Respondents were asked to give three examples of where they felt the board is working well and three examples where they felt the board could improve what it does. Full details of the responses are attached at Annex C and D respectively, however, the following key themes were identified and have been summarised below. Interestingly some themes were common across both sets of responses.

Table 4.4.3 – Key themes relating to boards working well.

Joint working and collaboration; positive engagement between scheme manager and board.
Good attendance and regular meetings.
Implementation of key documents: risk and breach registers, action plans and training logs.
Increased awareness of issues affecting the FPS.
Performance and annual reporting.
Improved scheme communications.
Ability to monitor compliance.

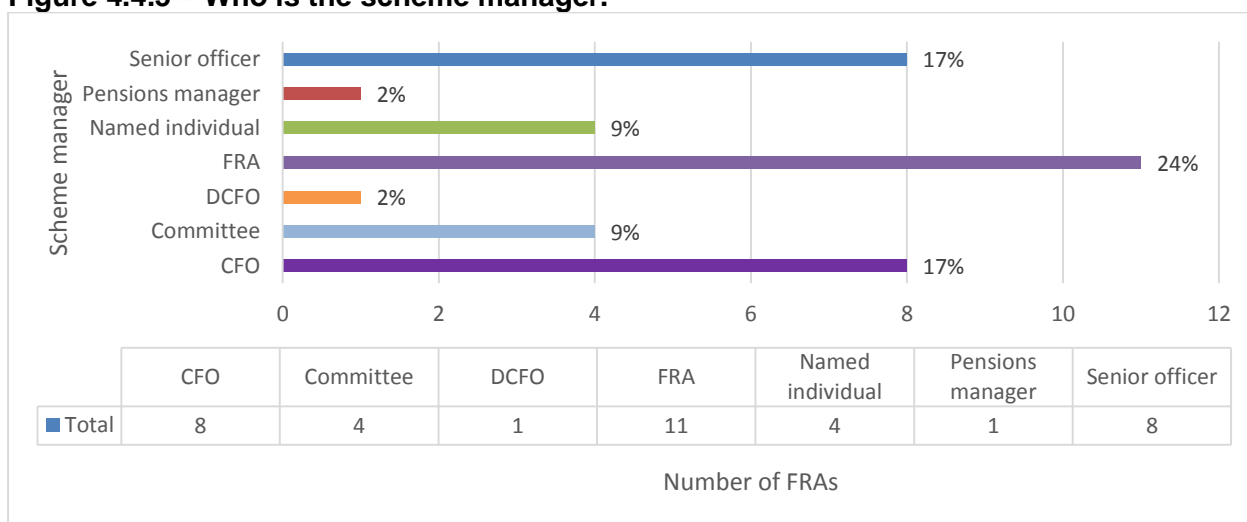
Table 4.4.4 – Key themes relating to areas for improvement.

Implementation and publication of key documents: risk and breach registers.
Turnover of board members and subsequently keeping skills up to date.
Formation of joint i.e. regional boards.
Training.
Increase profile of board within organisation.
Increase number of board members.
Scheme manager communication/ engagement and attendance at meetings.

Lack of consistency in response to the questions relating to the role and delegation of the scheme manager highlighted to the Committee that there remains possible confusion among boards around this issue, or that the questions were poorly worded.

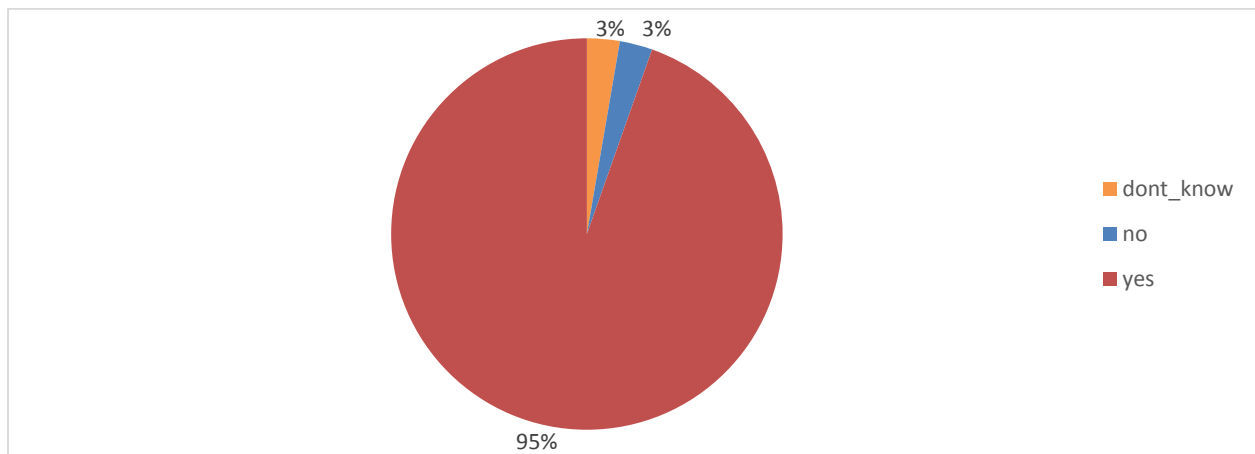
Almost a quarter of boards (24%) listed the FRA as the scheme manager, which is consistent with the definition in the regulations. However, the expectation is that this responsibility is generally delegated to another individual in a senior position within the Authority. This was the case over a third (36%) of the total responses, while the remaining FRAs have delegated the scheme manager role to a committee (9%) or the response specified a named individual (9%). The pensions manager was listed as scheme manager by only one board (2%).

Figure 4.4.5 – Who is the scheme manager.



The majority of boards (95%) confirmed that there is an effective delegation of the scheme manager in place, yet this is inconsistent with the responses in Figure 4.4.5 which show that the responsibility has not been delegated by the FRA in 24% of cases. A small percentage of boards answered no (3%) or don't know (3%).

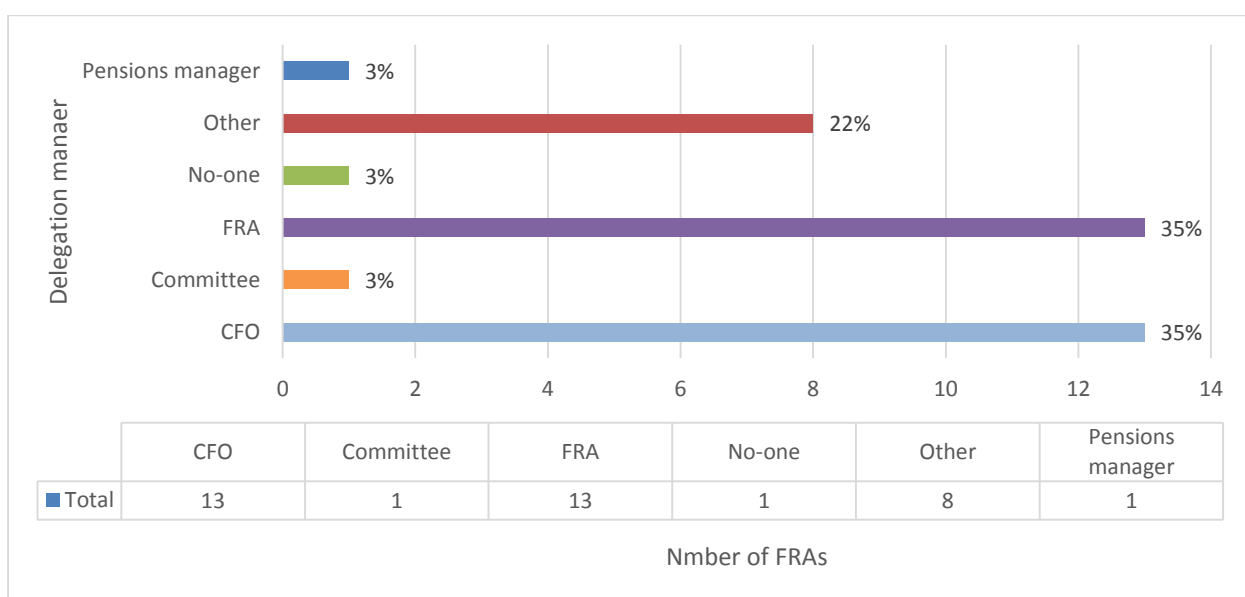
Figure 4.4.6 – Proportion of boards with an effective delegation of the scheme manager in place.



Almost three quarters of all boards responded that the delegation is managed by either the FRA (35%) or the Chief Fire Officer (35%), with nearly a further quarter (22%) naming another senior position within the Authority, which have been amalgamated as 'other' in Figure 4.4.7. One board (3%) stated that no-one manages the delegation, which is consistent with the response above, and the remainder listed the pensions manager (3%), or a committee (3%).

Over one quarter (27%) of the respondents listed the same individual or committee as the scheme manager **and** the manager of the delegation. Respondents were also asked to evaluate the management of the delegation using a 1-10 scale (where 1 was 'very poor' and 10 was 'very good'). A mean score of 8.1 was returned.

Figure 4.4.7 – Who manages the scheme manager delegation.



Schemes were asked to evaluate the interaction between the scheme manager and the board, and the ability of the board to identify non-compliance and recommend further action, using a 1-10 scale (where 1 was 'very poor' and 10 was 'very good'). While all ratings are positive, with a mean score of over 7 in each category, the board's ability to identify non-compliance is reflective of Table 4.3.5 which shows a lower proportion of boards with a breaches and risk register in place than other key documents.

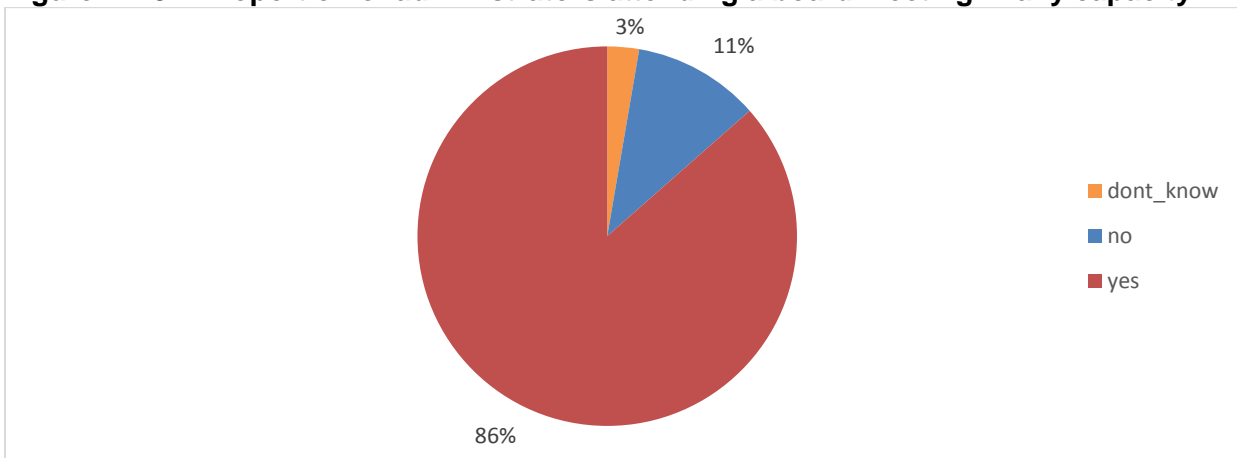
Table 4.4.8 – Evaluation of scheme manager/ board interaction and board's ability to... – mean ratings.

Process	Rating (mean value)
Scheme manager/ board relationship	8.2
Board ability to identify non-compliance	7.2
Board ability to make recommendations	7.9
Scheme manager response to recommendations	8.0
Effectiveness of communication	7.8

Boards also reported positive engagement of the administrator with the local pension board, with the administrator attending one or more meeting in 86% of responses. Of the remaining 14%, 11% of administrators had not attended a meeting in any capacity and 3% of boards did not know.

While it may not be appropriate or relevant for the administrator to be invited to all board meetings, it could be reasonably expected that they would provide an update report for discussion.

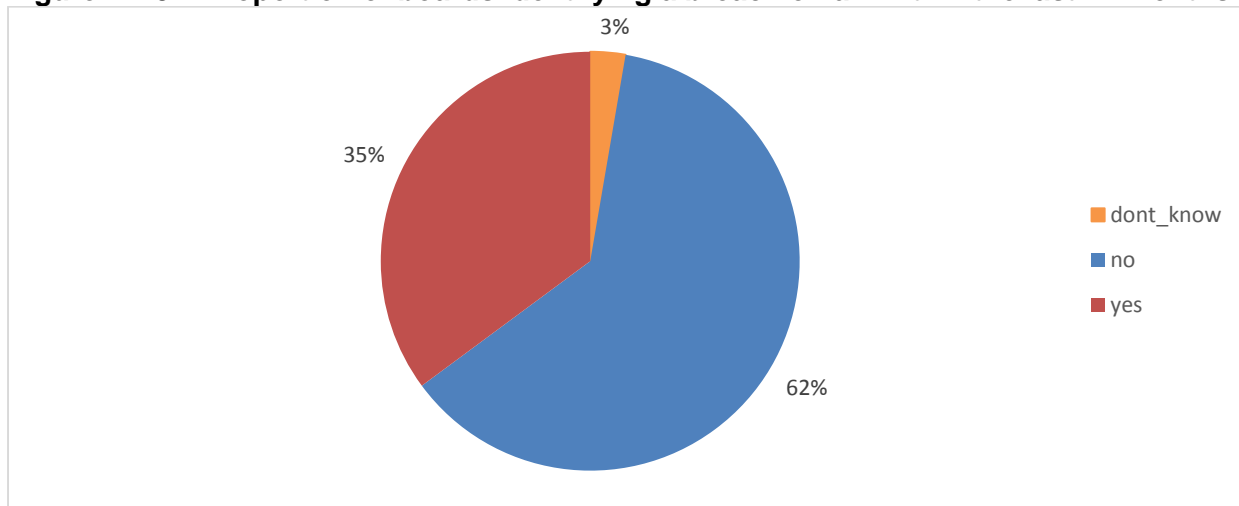
Figure 4.4.8 – Proportion of administrators attending a board meeting in any capacity.



Over a third (35%) of boards stated that a breach of the law had been identified within the last 12 months, with just under two-thirds (62%) stating that no breaches were identified. The question did not specify whether any breach identified was of material significance or not.

The Committee agreed that there is confusion among boards on what constitutes a material breach and is in the process of developing a breach assessment template which will help boards both identify and record/ report breaches.

Figure 4.4.9 – Proportion of boards identifying a breach of law within the last 12 months.



Boards were asked to describe ways in which they think the working relationship between the scheme manager, Fire and Rescue Authority could be improved and comment on any other aspect of the new governance arrangements that they considered to be relevant

This was captured verbatim and full details of the responses are attached at Annex E and F respectively. The following key themes were identified and have been summarised below. While the majority of comments received relating to the new governance arrangements considered them to be overly complex and onerous, considering the unfunded nature of the FPS, other boards felt that the establishment of the Scheme Advisory Board and increasing support from the LGA has had a positive impact on the administration of the scheme.

Table 4.4.10 – Key themes relating to improving working relationships.

Better communication.
Provision of reports.
More clarity on roles/ responsibilities.

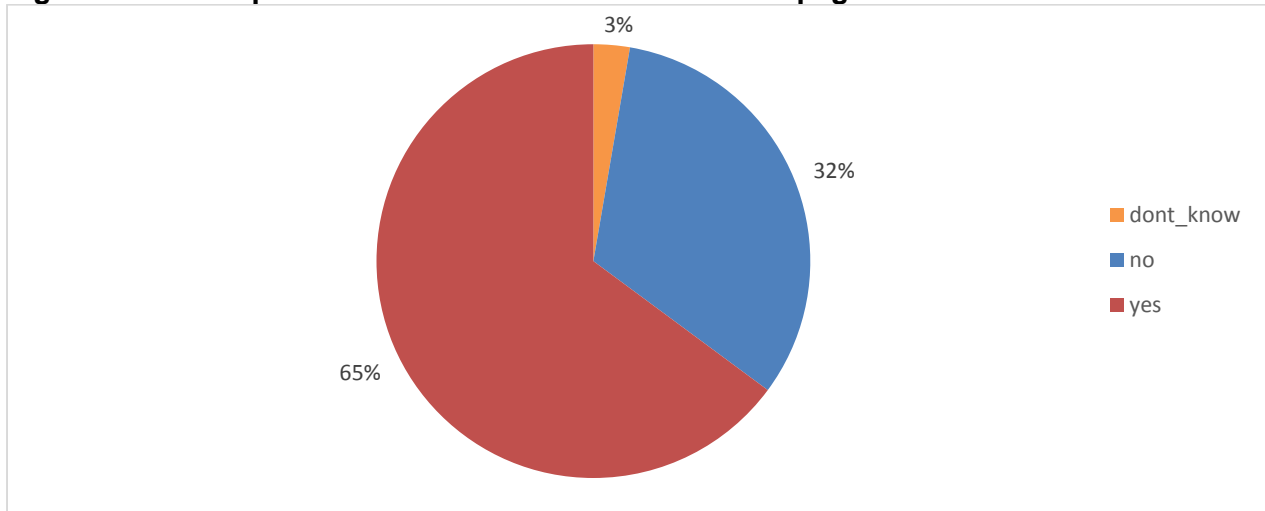
Table 4.4.11 – Key themes relating to new governance arrangements.

Overly complex and time-consuming for unfunded schemes and lack of decision making responsibility.
Duplication of effort nationally.
Establishment of SAB and support from LGA has been positive impact.

4.5 Board communications

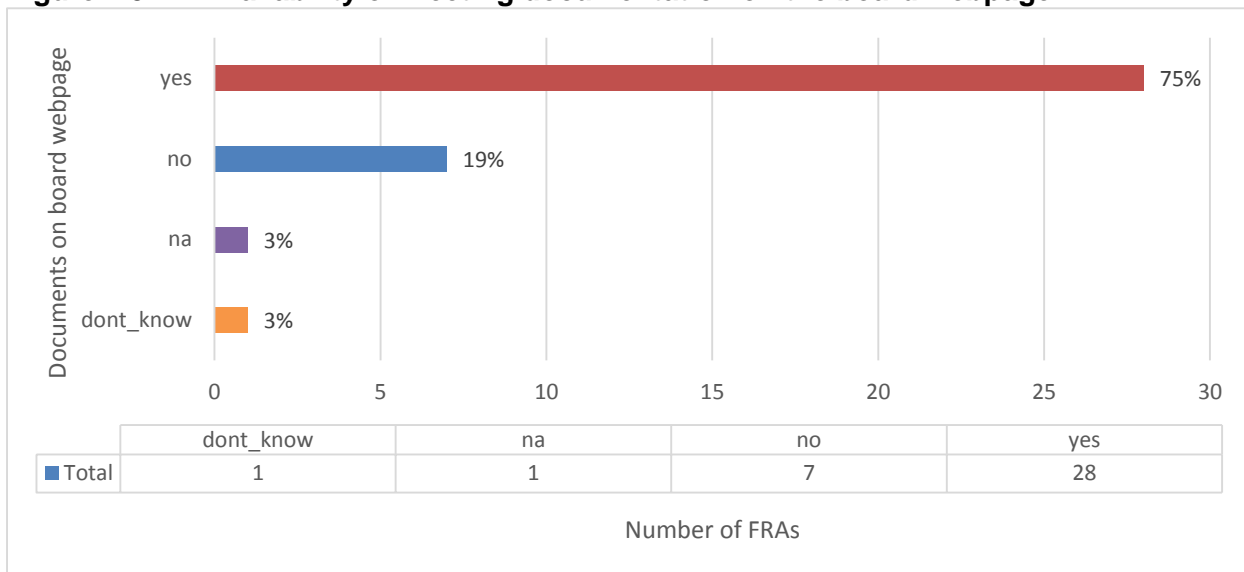
Almost two-thirds (65%) of boards have a dedicated webpage on their Fire and Rescue Service website. Links were provided within the responses where the answer was yes, and these have been verified where the link is external. Almost one in three (32%) do not have a board webpage, and 3% did not know.

Figure 4.5.1 – Proportion of boards with a dedicated webpage.



Three-quarters (75%) of respondents stated that meeting agendas and papers are available on the board webpage. The remaining quarter of responses were split between no (19%), not applicable (3%), and don't know (3%). A greater percentage of not applicable responses may have been expected, to more accurately reflect the percentage of boards with no dedicated webpage. However, as there is a requirement for boards to publish information, the documents may be held in a different online location.

Figure 4.5.2 – Availability of meeting documentation on the board webpage.

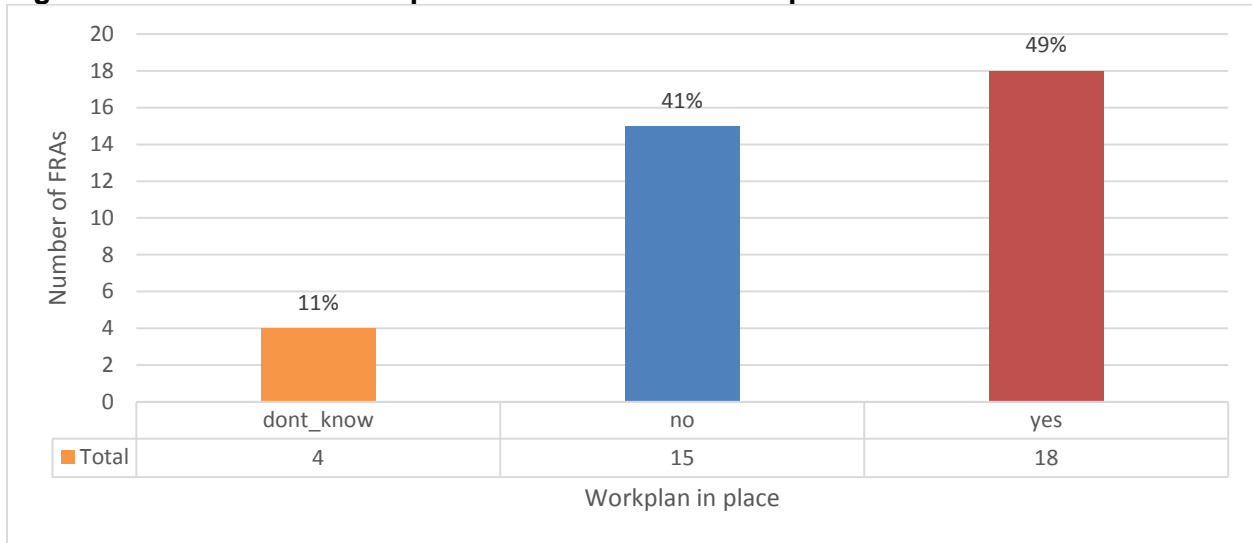


Just under half (49%) of local pension boards have a workplan; 41% have no plan and 11% of respondents did not know whether their board has a plan. For comparison, around 86% of LGPS boards have a workplan in place¹.

A template workplan is available from the resources page of the dedicated local pension board section of the Scheme Advisory Board website www.fpsboard.org.

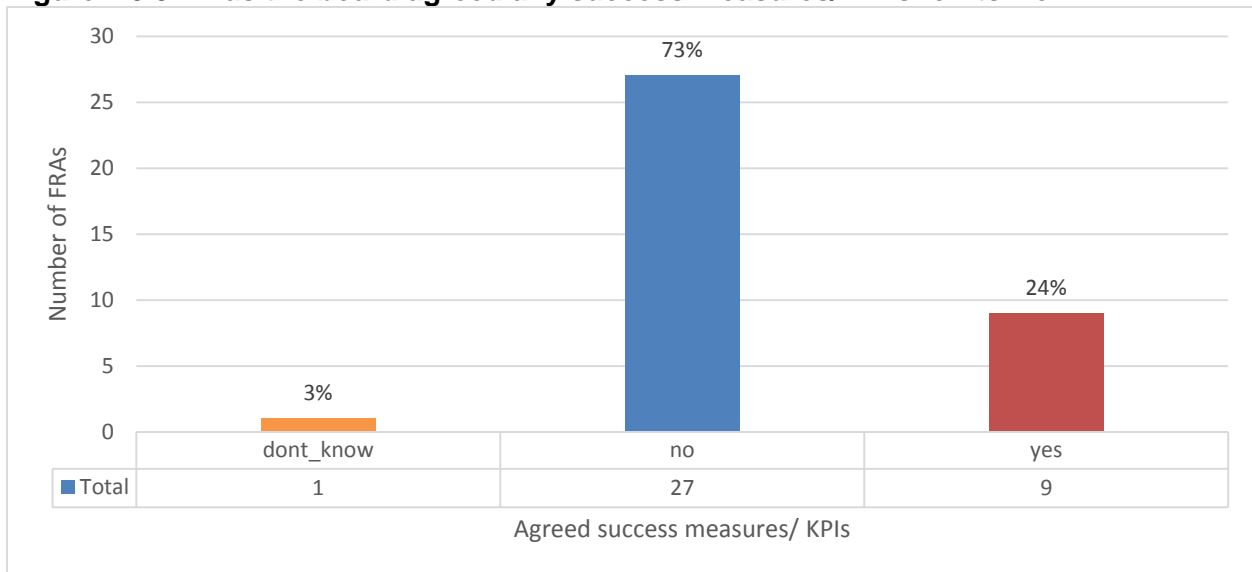
¹ Insert link to LGPS survey analysis when available.

Figure 4.5.2 – Does the local pension board have a workplan.



Boards do not tend to have mechanisms in place to measure the success or effectiveness of their work, with just under one in four (24%) boards having agreed any success measures or Key Performance Indicators (KPIs). Almost three-quarters (73%) of boards indicated that there are no agreed KPIs, and 3% did not know if any measures are in place.

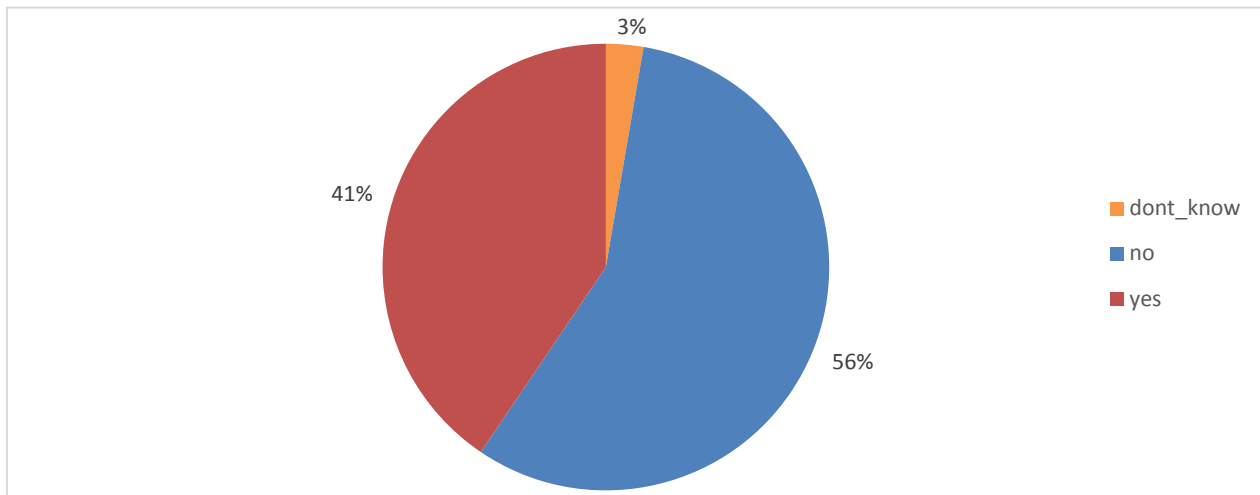
Figure 4.5.3 – Has the board agreed any success measures/ KPIs for its work.



The percentage of boards producing an annual report was quite evenly split, with 41% of respondents confirming that a report is produced and 56% indicating that a report is not produced. The remaining 3% did not know whether an annual report is issued.

The Committee is considering development of an annual report template to assist boards in this regard.

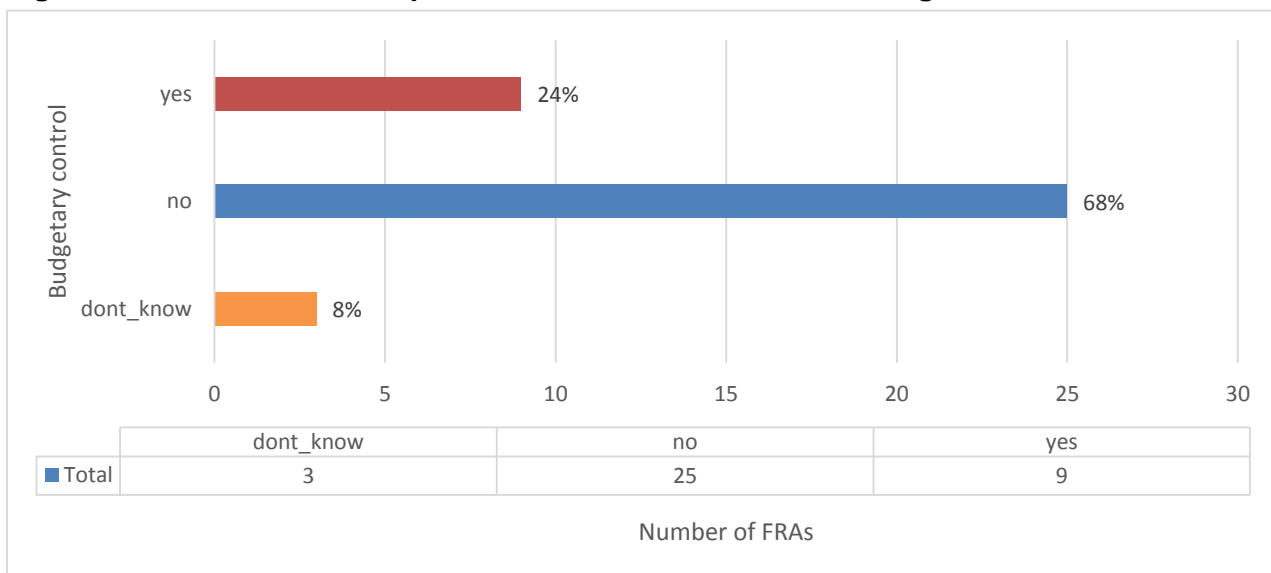
Figure 4.5.4 – Proportion of boards producing an annual report.



4.6 Board budget

Around a quarter (24%) of boards responding to the survey have control of a budget, and over two-thirds (68%) do not. A small proportion (8%) of respondents were not aware whether the board have any budgetary control. Two of the three boards with a paid chair also have control of a budget, though there are a further seven boards with a budget and an unpaid chair, so there is no direct link between the two conditions.

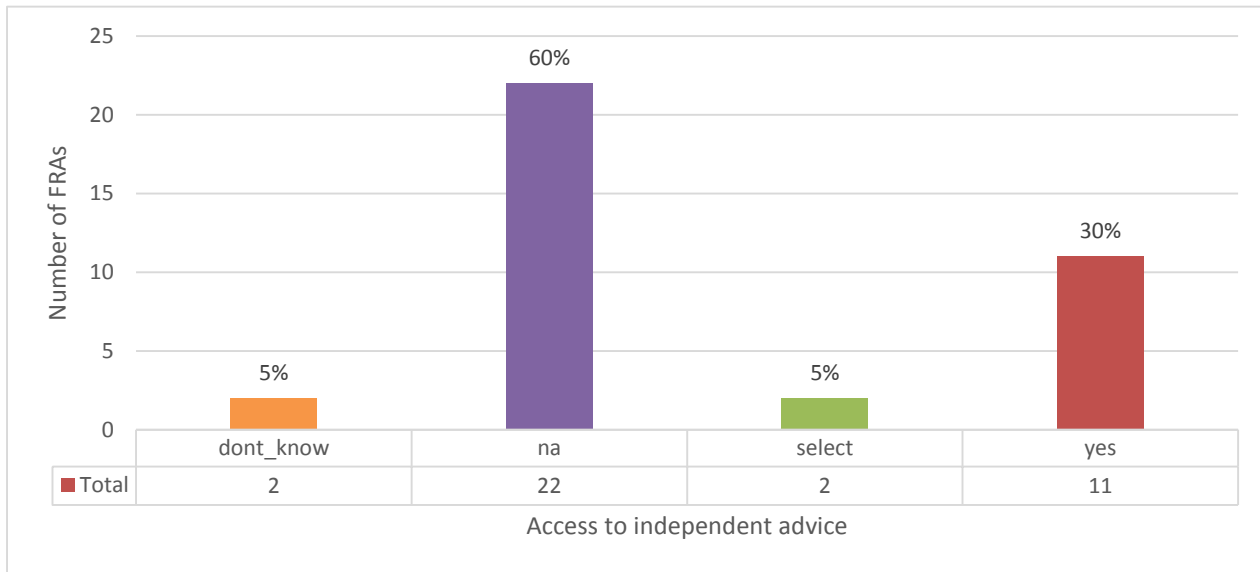
Figure 4.6.1 – Does the local pension board have control of a budget.



All of the boards with control of a budget indicated that this budget can be used to access independent external advice, in addition to two which stated that they have no control of a budget, therefore equating to 30%.

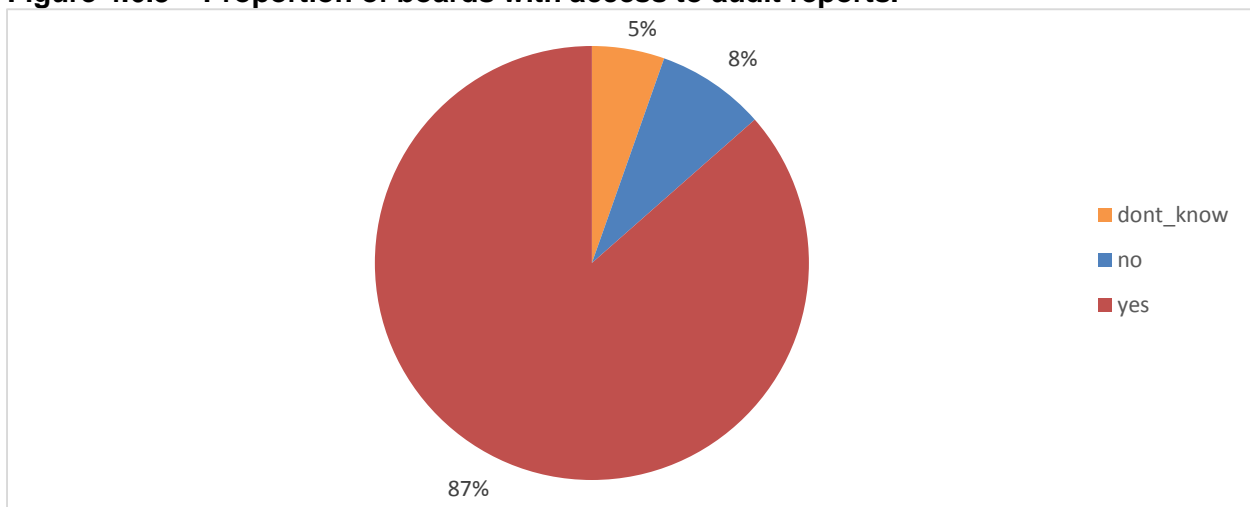
Two respondents (5%) did not select a relevant option from the drop down box, and the remainder were split between not applicable (60%) and don't know (5%).

Figure 4.6.2 – Can the budget be used to access independent external advice.



Overall, 87% of boards have access to internal and external audit reports. The percentage without access to such reports is 8%, and 5% did not know. The committee would be interested to further investigate whether audits of the boards take place, or if this would be effective measure of success to recommend to boards.

Figure 4.6.3 – Proportion of boards with access to audit reports.



5. Recommendations

5.1 Board meetings

Although the minimum number of meetings is not specified in legislation, the Committee consider that four meetings per year is good practice to allow monitoring of statutory requirements and identify breaches in a timely manner.

5.2 Board membership

While the number of members on a board is not of concern providing the minimum legislative requirements are met, turnover of membership and the associated challenge of maintaining members' knowledge and understanding is a potential risk.

Therefore, it is recommended by the Committee that boards consider reviewing their Terms of Reference to set out an aspirational terms for members, in particular extending the tenure for the board chair to a minimum two year term, to consider how they can achieve levels of consistency, while benefiting from occasional new members who would offer fresh ideas and challenges. The selection and nomination procedures should also be amended to include how appointments are both made and removed.

5.3 Key documents/ processes

An encouraging number of boards have all key documents and processes in place, and satisfaction with these is generally high. The Committee would highlight the [resources](#) available to boards via the Scheme Advisory Board website to assist those who may not yet have developed or implemented all key processes.

The secretariat also requests that any missing or revised Terms of Reference are submitted to bluelight.pensions@local.gov.uk for inclusion on the [Local Pension Boards](#) page.

The rating anomaly for the programme of knowledge and understanding has been noted and the Committee will consider future targeted training requirements based on the analysis of the survey. It is recommended that training is on-going and that it is sector-specific

5.4 Scheme governance

Considering the potential uncertainty relating to the role and delegation of the scheme manager function, the Committee would like to promote the available [guidance](#), which is extracted from training delivered to local pension boards by the LGA Firefighters' Pension Adviser.

To assist boards with the identification and recording/ reporting of breaches of the law, the Committee is developing a breach assessment template.

While the Committee acknowledges the view that the new governance arrangements seem overly complex, development of a comprehensive risk register may assist boards in recognising the importance of the provisions in promoting correct management and administration of the schemes. Although there is no investment fund to manage, errors in notional fund accounting can have significant impact, as evidenced by the recent case of injury awards from the Firefighters' Compensation Scheme being incorrectly paid from FRA pension accounts.

5.5 Board communications

As there is a requirement for boards to publish information, the Committee think it would not be unreasonable to recommend that boards consider requesting a dedicated webpage on their main FRS website if this does not exist already.

Development of a workplan would allow boards to set their priorities and objectives for the year, and also give a basis for measuring progress. A detailed example workplan is available from the [resources](#) section of the Scheme Advisory Board website.

It is important for boards to be able to measure and demonstrate their success, due to the tremendous amount of hard work and dedication existing within these local arrangements that should be acknowledged. The Committee therefore recommends the development of agreed success measures and KPIs.

An annual report would be an ideal channel for promoting boards' work and achievements. The Committee is considering development of an annual report template to assist boards in this regard, and would recommend inclusion of the following:

- Membership and meetings of board
- Local arrangements
- Board assessments
- Identified Risks and Mitigation
- Recorded Breaches
- Data Review
- Annual Workplan and reviews
- Training
- Expenses and Costs
- Recommendations

5.6 Board budget

The Committee were comfortable with the responses regarding board budgets and have no recommendations, other than to note that it may be more efficient for the Scheme Advisory Board to obtain external and independent advice, rather than individual boards.

Annex A: Survey questions

- 1 When did the Board first meet?
- 2 How often a year is the Board required to meet?
- 2 How often a year is the Board required to meet?
- 3 How many meetings have been held to date?
- 3 How many meetings have been held to date?
- 4 What is the number of employer representatives on the Board?
- 5 What is the number of employee representatives on the Board?
- 6 Was the Chair of the Board:
- 7 Is the Chair of the Board:
- 8 Is the Chair of the Board remunerated?
- 9 Are any other members of the Board remunerated?
- 10 Are expenses paid to Board members?
- 11 Is facility time given by the scheme manager to employee representatives of the Board?
- 12 Does the Board have a terms of reference?
- 13 Does the Board have a conflict of interest register?
- 14 Do you keep a register of breaches of the law?
- 15 Is there a risk register?
- 16 Is there a programme for Board members to acquire knowledge and understanding?
- 16a What training has been undertaken so far?
- 17i Rate the terms of reference
- 17ii Rate the conflict of interest register
- 17iii Rate the register of breaches
- 17iv Rate the risk register
- 17v Rate the knowledge and understanding programme
- 18 Is the Board compliant with guidance issued by the Scheme Advisory Board?
- 19 Reasons for the compliance of the Board with the guidance issued by the Scheme Advisory Board
- 20 Three examples where you think the Board is working well
- 21 Three examples where you think the Board could improve what it does
- 22 Who or whom is the scheme manager?
- 22a Is there an effective delegation of the scheme manager in place?
- 22b Who manages the delegation?
- 22c On a scale of 1 to 10 how would you evaluate the management of the delegation?
- 23i Rate the relationship between the scheme manager and the board?
- 23ii Rate the boards ability to identify non-compliance with legal requirements?
- 23iii Rate the boards ability to make recommendations to the scheme manager when non-compliance has been identified?
- 23iv Rate the scheme manager response to any such recommendations?
- 23v Rate the effectiveness of communication between the scheme manager and the board?
- 24 Has the administrator in any capacity attended any local pension board meetings?
- 25 In the last 12 months, have any breaches of the law been identified by the local pension board?
- 26 Who is responsible for agreeing the agenda for local pension board meetings?
- 27 Have any local pension board meetings not been quorate?
- 28 Is voting a regular feature of local pension board meetings?
- 29 Does the local pension board have a webpage on the Fire and Rescue Service web site?
- 29a If so, what is the address?
- 30 Does the local pension board have a workplan?

- 31 Has the local pension board agreed any success measures/KPIs for its work?
- 32 Has the local pension board produced an Annual Report?
- 32a If so, where is it published?
- 33 Are the local pension boards papers agenda, papers, etc, available on the boards webpage?
- 34 Does the local pension board have control of a budget?
- 35 If it has a budget, can it be used to access independent external advice?
- 36 Does the local pension board have access to internal and external audit reports?
- 37 Describe ways in which you think the working relationship between the scheme manager, Fire and Rescue Authority could be improved.
- 38 Comment on any other aspect of the new governance arrangements that you consider to be relevant
- 39 Capacity in which you are completing this survey
- 40 Name of the organisation/pension board you represent

Annex B: Respondents

Avon Fire & Rescue Service
Bedfordshire FRS
Buckinghamshire Fire & Rescue Service
Cambridgeshire and Peterborough Fire Authority
Cleveland Fire Authority LPB
Cornwall Pension Fund
County Durham and Darlington Fire and Rescue Service
Devon & Somerset FRS
Essex County Fire & Rescue
Essex Fire and Rescue
Essex Fire and Rescue Service
FBU
Gloucestershire FRA
Gloucestershire FRA
Hampshire
Humberside Fire Authority
isle of Wight Fire Authority
Kent and Medway Towns Fire and Rescue Authority
Lancashire Combined Fire Authority
Leicestershire Fire and Rescue Service
Lincolnshire County Council
Merseyside Fire and Resuce Authority
Mid and West Wales Fire and Rescue Authority
North Yorkshire Fire and Rescue Service
Northumberland County Council
Nottinghamshire Fire and Rescue Service
Royal Berkshire Fire and Rescue Service
Royal Berkshire Fire Authority
Shropshire and Wrekin Fire and Rescue Authority
Shropshire Fire and Rescue Service
South Yorkshire Fire & Rescue Authority
Stoke on Trent and Staffordshire Fire and Rescue Authority
Suffolk Firefighters Pension Board (Suffolk County Council)
TWFRS
West Midlands Fire and Rescue Authority
West Sussex County Council / WSFRS
West Yorkshire Fire & Rescue

Excluded from analysis:

Greater Manchester Fire & Rescue Service
London Fire Brigade
Warwickshire County Council

Annex C: Q21. Three examples where you think the Board is working well

Agenda planning with Scheme Administrator, Payroll and Pensions staff and Governance support, Involvement and commitment of Pension Board Members , Appointment (2017) of Lead member for LPB from Scheme Manager to strengthen links
Review of the Pension Administration external service level agreement performance. Review of communication of pension issues with active members. Identification of pension members needs.
Joint working / sharing of knowledge with other Fire Authorities; Risk identification, Scrutiny of Scheme Manager actions
Regular attendance at meeting, Annual report to the Scheme Manager
Good attendance and desire to understand the schemes, Constructive dialogue with the FBU, Cohesive approach with regional services and pensions administrator
Meets regularly, Continuing to build a good working relationship with the Audit Committee, Providing additional assurance following a Breach of the Regulations and putting processes in place to prevent a re-occurrence
Engagement between Scheme Manager and Pension Board Chair/Pension Board, Awareness of current and forthcoming issues, Board engagement including Administrator attendance.
Pensions Administrator attends and provides regular performance reports, Have developed an action plan and training log, Members have a general understanding of the FFPS
Consistent board members, Prioritises attendance to meetings
Monitoring of the scheme, Good meeting content which is supporting awareness and understanding of LPB members, Recognition of the need to increase frequency and time allocation due to the complexity of the agenda items
Good passage of information between the Administrator / Pension Board and Scheme Manager (Representative), Regular meetings, Stability of Pension Board members (only one change in two years)
The board have introduced training and are committed to this, The meetings run efficiently
Commitment to training, Liaison with the Scheme Administrator
good communication between employers and employees, regular meetings, and joint effort on attending training events.
Intranet site, Planning forward what we will be looking at
Meetings are well attended, Pension fund administrators provide regular reports, Open dialogue with regard to any pension matters and TOR reviewed to enable Chair to be elected from board.
good participation and attendance by all on the board, common goal, all want the same thing, excellent support by our pensions lead

Constructive board member relationships. Useful contribution to scheme communications.
very effective scheme member engagement, keen to make improvements to the governance of the schemes
1 - commitment - attendance at meetings 2 - recognition of role - adherence to TOR 3 - technical advice provided at meetings
1. Scrutiny on the progress of implementation of national settlements such as Norman vs Cheshire 2. scrutiny of progress on formulation and implementation of risk register and associated control measures
1. Work on Risk Register 2. Good balance of Employer and Employee representatives
regular meetings, Good representation on both sides, Good training programme
Meets regularly Has all policies in place, Growing awareness across the Service of the board
Training, Gaining greater awareness, Helping with Procuring of new pension administrator
1. Good relevant TOR 2. Good Cross section of membership 3. Positive decision making forum
Good relevant TOR Good cross section membership Positive decision making forum
Good working relationship between board members
Following national guidance to set format, timings, structure, agenda and forward planning established
Genuine interest of board members to support and engage Scheme Administrator
Established structure and governance - good but can be improved upon, Starting to establish greater knowledge of schemes, Establishing closer working between pensions team, board and SAB.
1. Constructive challenge of Scheme Manager: - e.g. LPB asked the Scheme Manager to confirm some optant out figures as they seemed particularly high
2. Impartial and active contribution in helping to address tricky pension issues: - e.g. the treatment of temporary promotions and whether they should be treated as pensionable or not.

3. Willingness to engage and be involved: - e.g. keen to get more pension information available, communications, presentations, new employer pension web pages.
Governance and Admin, Scheme Manager and Pension Administrator guidance and attendance at meetings, Compliance with TPR and information from their website
There have been no issues so far which required a vote. The Board has been able to focus on changes in regulations and check that the FRA has complied with the changes.
appropriate policies and procedures in place, awareness of TPR priorities and as a result relevant actions have been put in place by the LPB e.g. Risk Register developed and in place, Data Review underway, Summary of Code 14 Principles collated and ma
monitor performance of the scheme administrator, discusses concerns of employees with regards to pensions.
1. Up to date with policies and procedures 2. Regular meetings

Annex D: Q22. Three examples where you think the Board could improve what it does

Risk Register, Greater capacity to develop the Board, Better Learning and Development for the Board
Can't think of any.
Keeping skills of Board up to date due to high turnover of members, The Board find it difficult to understand the complexity of the pension scheme and associated regulations, Need to develop data improvement plan
Better knowledge and understanding, Greater involvement with pensions outside the Board meeting
Further explore a regional board as the administrator is the same, we meet as scheme managers and the geographical area is compact
Consistency in representation of members - complex area but membership of the CFA changes ergo membership of the board changes
Employee representation - predominantly trade unions but sometimes this causes conflict (where decisions benefit some members but not all) therefore they simply fall silent on a matter. Employees should be able to attend to speak but this is not actively encouraged (by the FBU)
Board requesting information from Scheme Manager and also supporting the Scheme Manager in work to be undertaken. Awaiting documents from the Scheme Advisory Board (templates, matters to address, draft agenda, proposed workplan, suggested KPIs, annual report template etc).
Members could have a more in depth understanding of the FFPS and statutory requirements, More policies in place, A report produced.
Could meet more frequently, Could challenge more, Could undertake more training
To introduce a formal risk register, To publicise the list of any breaches, To improve comms between the LPB and Authority Members who are the formal Scheme Manager
Increased profile of role of Pension Board to members, Training, Increase integration with Scheme advisory board
Improve the risk register, Further improvement of knowledge
Greater focussed KPI's, Greater communication with the Fire Authority as the Scheme Manager, Knowledge
better information given to new board members when initially joining, not just filling in the on line training pack
Get better understanding of some of the detail of the rules, More direct access to Fire Authority rather than through a manager
Scheme manager to attend meetings regularly to provide feedback of boards recommendations/discussions. Raising the board number to 4 each and have a retired fund member to represent retired members.
knowledge of such a complex area is a problem, difficulties in dedicating time to doing the training, better sharing of good practice (how do we know if we are performing well)?

Ideally the Board membership should be larger however until greater certainty exists concerning activities of the board and delineation of responsibilities is clarified this appears to be premature.

The tenure of both employee members and employer members tend to be of short duration making assimilation of pension scheme rules and necessary training difficult.

The Board has little effective power and consideration should be given to the establishment of combined boards.

1 - Continuity - member representatives have changed due to local elections. Cannot be helped but caused some disruption.

2 - Ability to keep up to date with Tax changes and impact on pensions

3 - Collaboration with other pension Boards - Regionally / Nationally

1. Could gain more experience of Pension Administration for all schemes, however the schemes are very complicated.

Should have a risk register

Add value, Communicate out more

Need for workplan, Link up with Scheme Manager, Policy for reporting breaches of law

1. Expansion of membership to include technical member 2. Better, more timely communications 3. More CPD accredited training.

Expansion of membership to include technical membership, Better, more timely communications, More CPD accredited training

We recognised the need to set a direction for the development of the board and have established an effective training programme, including further LGA training

Greater knowledge of schemes, Greater rigor in pension risks, Comms

1. Closer engagement with other FRA's to share knowledge and experience. 2. create more opportunity to engage with Rep Bodies and explain the pension issues of the moment 3. Enhance communication of pension matters within FRA

Extensive knowledge and background takes time to accrue. Improvement areas have formed part of the Training Programme

The Employer representatives both changed as a result of the May local elections.

The Chief Financial Officer who is also the Scheme Manager ha changed and a permanent replacement is not yet in place. The relationship between the Local FPB and the Scheme Manager will be developed once the Chief Financial Officer is in post.

more detailed work on Work Plan items e.g. Communication Policy development to include review of existing literature and input into development of authority-specific documents which can be accessed locally via intranet
challenge more items on the ri

Membership of the board has not been as stable as it could have been, and we are currently considering making changes to the way in which board members are appointed in order to allow for longer tenure of board members.

Annex E: Q37. Describe ways in which you think the working relationship between the scheme manager, Fire and Rescue Authority could be improved.

We have recently appointed a Lead Member from the Scheme Manager (FRA) - the Authority's Vice-Chair - to attend future Local Pension Board meetings. He won't be a full Member of the LPB but he will be allowed to contribute to the discussions.
Can't think of any areas requiring improvement.
Whilst individual reports are taken for decision when appropriate, benefit could be gained by taking an Annual report to Fire Authority by Scheme Manager.
Better communication. Greater understanding of role of Board
Dedicated time allocated to undertake this function.
Production of a report
Further awareness and education of the Authority who are the formal Scheme Manager. Provision of a regular report to the Authority
Fire Authority as Scheme Manager should request a pension board member to attend Fire Authority meetings where a decision on Pensions is being undertaken for advice. Fire Authority to have a greater understanding of the role of pension boards.
The Chair of the Pension Board to present the minutes to the Standards and HR Committee offering opportunity for scrutiny and direction to FA members.
The Chair of the Pension Board is to present the minutes from Board meetings to the Fire Authority's Standards and HR Committee, so that there is increased awareness of Pensions issues and opportunity for the FRA (as the Scheme Manager) to direct its work.
I am happy with the relationship I have with the scheme manager, the manager is very approachable and helpful when I have questions
More timely involvement and view of the issues being reported by managers to the Fire Authority. Usually quite good but there are some lapses.
No improvements required at present.
Most areas which I think can be improved is over awareness of the schemes.
None at this stage.
With the Scheme Manager being the Strategy and Resources Committee this may lead to delays in decision making, however the transparency of decision making is improved with Member involvement.
More clarity about roles and responsibility from central government/SAB. Scheme manager to attend meetings
A review of scheme manager, and where the delegation of this position in best placed.

The relationship between all three aspects of the scheme governance is working well, with good communication throughout the scheme.
However, we are always looking to improve all functions within FRS and would welcome all support and suggestions as we develop.
The relationship between all three aspects of the scheme governance is working well, with good communication throughout the scheme.
However, we are always receptive to ideas and support in all areas and functions of FRS and would welcome any support as we develop the board.
A very positive working relationship exists with the ability to raise issues
More structured and transparent reporting between Board and scheme manager and the Fire Authority
A lack of pension expertise / communication / liaison meant that a new post of Employer Pension Manager was introduced from 01/02/2017. A year on and this post has made significant improvements to communication and liaison between FRA, LPB and Scheme Manager. We are always looking for ways to enhance the relationship further though.
Relationships working well
There have been some changes in the Scheme Manager personnel which need to be embedded so that the relationships with local FPB Chair and Board can be developed.
More regular communication on relevant topics to keep the important issues highlighted e.g monthly email update from Scheme Manager with the opportunity for all to contribute. Could use as a route for ongoing discussion to hone activities and priorities to then capture at formal meetings. Examples of possible topics - TPR 21st Century Governance Programme, Dashboard, GDPR, Valuation outcomes, GMP reconciliation, urgent administration exercises where identified
More stable board membership (as mentioned in Q21)

Annex F: Q38. Comment on any other aspect of the new governance arrangements that you consider to be relevant

We believe the links between the Scheme Manager, through the Lead Member, will strengthen the links. There is also a proposal for the LGA to deliver a training session for the FRA (as Scheme Manager) in 2018.
As the FF pension is an unfunded scheme and the LPB is a non-decision making body the challenges it faces are not as great in terms of ensuring all pension liabilities are being covered via investments of the pensions assets, and the management of risks and board member conflicts of interest. I would imagine a board member on a LGPS pension board requires more support and direction when managing a billion Â£ plus investment portfolio. The main objective appears to be around the correct administration of the FF pension and the fulfilment of all statutory and regulatory responsibilities.
Governance arrangements have been improved due to the new requirements and the pension scheme is now better managed. Guidance from the LGA and TPR provides a useful framework on which to base our governance arrangements.
Overly complicated in my opinion given that the scheme is unfunded and therefore does not have investments to manage unlike LGPS. Most pension decisions are based on regulations, grey book terms & conditions and outcomes of legal challenge. Therefore again, unlike LGPS, I think fire pension boards are confused about their role and elected members struggle with the lack of decision-making responsibility. The more formal governance arrangements are imposed the more I feel that the meetings tick a box rather than adding value.
As there are not investment decisions in the way there are for LGPS, the status of the Board within the County Council is much lower.
There is significant duplication across all FRSs in the UK and this could be more efficient if organised regionally rather than by each FRS/shared administrator. Another alternative would be to just utilise the national Scheme Advisory Board.
They are working well so far.
Regular reviews ensure focus on best practice.
Fell like the arrangements are starting to be embedded and the regular reviews being undertaken on the subject, such as this one, are helping to support driving best practice.
Knowledge of board members is a key issue that can only be overcome by exposure to the issues and training.
None
As the Firefighters' Pension Schemes are unfunded much of the requirement for pension boards are unnecessary as no monetary decisions are overseen or made by the Board.
N/A
Three years on and the value of local pension boards for a national funded scheme is still questionable

The initial legislation was "light touch" and the delay to the establishment of the SAB, impacted on the early days on the LPB. However, where new guidance and support has been made available the board has quickly adapted, e.g. Risk Register

Our current position with our LPB is one of transition, as we have recently transferred our administration from County Council. The knock on effect of this has been to redefine the boards TOR and restructure the board in relation to the change of accountability. Our risk register is in the process of being rewritten to reflect the potential risks of third party.

Our current position with our LPB is one of transition, as we have recently transferred our administration from County Council. The knock on effect of this, is a redefining of the TOR and a restructuring of the board to reflect the change in accountability of administration. Our risk register is in the process of being rewritten to take account of the potential risk of the third party.

The support of the SAB is much appreciated in driving improvements and providing suitable resources. The new SAB website is excellent and the ongoing LGA training, support and expertise continues to be of a very high quality and makes it far easier to understand the responsibilities and to access expert assistance from relevant agencies. Opportunities for networking and to ask about other board activities and approaches gives a real focus for assessing progress and identify whether priorities are appropriate. Malcolm Eastwood's enthusiasm acts as a genuine motivator to push to keep up the positive momentum.



OFFICIAL

Scrutiny and review

Local Pension Board

Date: 6 July 2018

Agenda Item:

13

Submitted By: Chief Employment Services Officer

Purpose

To scrutinise and review the following:

- Annual Benefit Statements
- Discretions
- GMP Reconciliation

Recommendations

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

Summary

It is one of the requirements of the Local Pension Board that members undertake to scrutinise areas relevant to the administration of the Firefighters' Pension schemes. This report identifies three areas for scrutiny and review.

Local Government (Access to information) Act 1972

Exemption Category:

None

Contact Officer:

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Background papers open to inspection: None

Annexes:

Annex A – Annual Benefit Statements

Annex B – Discretions made by Scheme Manager

Annex C – Guaranteed Minimum Pension (GMP) Reconciliation

1 Introduction

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

2 Information

- 2.1 This report covers three areas for scrutiny and review as follows:

- Annual Benefit Statement
- Discretions made by Scheme Manager
- Guaranteed Minimum Pension (GMP) Reconciliation

- 2.2 Members are invited to consider the annexes and consider if any further action would be appropriate.

3 Financial Implications

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

4 Legal Implications

- 4.1 There are no legal implications arising from this report.

5 Human Resource and Diversity Implications

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

6 Health and Safety Implications

- 6.1 There are no direct Health and Safety implications arising 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".

AGENDA ITEM No. 13(a)

Annual Benefit Statements

The Pension Regulator deadline for issuing Annual Benefit Statements is 31 August 2018. As Members are aware this function is provided by West Yorkshire Pension Fund (WYPF).

WYPF have confirmed that production hasn't started yet as they are still waiting for yearend data from our payroll providers (Kirklees Council). WYPF requested for all yearend data to be supplied by 31 May 2018, Kirklees were unable to meet this deadline as they were having issues with their IT software. WYPF have confirmed that the further passed the 31 May deadline Kirklees the harder it will be for them to achieve the 31 August Pension Regulator deadline.

Kirklees have confirmed that this issue is a priority and have provided additional resources to ensure that this is resolved as soon as possible.

AGENDA ITEM No. 13(b)

Discretions

The Human Resources department have been working on a new maternity, paternity and child related leave policy. It was highlighted that there was a discrepancy between how operational and civilian staff are treated in terms of missed pension contributions. Members of the LGPS are given the opportunity to repay any missing pension contributions whilst on nil pay, if they elect to do so within 30 days they are only liable for the employee contributions. Members of the Firefighter Pension Scheme (1992, 2006 and 2015) are not given this right; the regulations say they are to repay all (employee and employer) contributions, however, the Scheme Manager can use their discretion and elect to waive the employer element. In these circumstances the Authority will pay the employer element, as they do for LGPS.

For consistency purposes it was agreed that the employer contributions will be waived in all cases of maternity/paternity/child related leave, this is on the proviso that the employee elects to repay the contributions within 30 days from their return date.

AGENDA ITEM No. 13(c)

Guaranteed Minimum Pension (GMP) Reconciliation

On 12 June 2018 Claire Hey (Assistant Firefighters' Pension Adviser) wrote to all FRAs requesting an update on progress of meeting the deadline for contracted-out reconciliation by the end of this year.

West Yorkshire Pension Fund will deal with this exercise on our behalf and were asked to provide an update on progress. At time of writing no update has been received.

OFFICIAL

West Yorkshire Pension Fund - Key Performance Indicators

Local Pension Board

Date: 6 July 2018

Agenda Item:

14

Submitted By: Chief Employment Services Officer

Purpose	To inform members of West Yorkshire Pension Fund performance in key areas for the periods 1 April 2017 - 31 March 2018 and 1 April 2018 – 31 May 2018
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 – 2017/18 KPIs

Annex B – YTD KPIs

1 Introduction

1.1 The KPI report presents performance data from West Yorkshire Pension Fund on 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

2017/18 KPIs

StartDate: 01-Apr-18

EndDate: 31-Mar-2018

UPM Clients: West Yorkshire Fire

WORKTYP	WORKTYPE	TOTAL_CASES	TARGET_DAYS_FOR_EACH_CASE	TARGET_MET_CASES	MINIUM_TARGET_PERCENT	TARGET_MET_PERCENT
	216 Age 55 Increase Fire	36	20	32	85	88.88
	210 Change of Address Fire	149	20	148	85	99.32
	212 Change of Bank Details Fire	44	20	44	85	100
	228 DG Nomination Form Received Fire	102	20	101	85	99.01
	224 DWP Request For Information Fire	6	10	6	85	100
	245 Death in Retirement FIRE	56	5	54	85	96.43
	31 Deferred Benefits Into Payment " Payment of Lump Sum (only for WY and Humberside) Fire	11	3	11	85	100
	26 Deferred Benefits Set Up on Leaving Fire	5	10	3	85	60
	24 Divorce Quote Fire	17	40	16	85	94.11
	25 Divorce Settlement " Pension Sharing order Implemented Fire	6	80	6	100	100
	214 General Payroll Changes Fire	180	20	180	85	100
	242 Initial letter Death in Retirement FIRE	56	5	52	85	92.86
	226 Life Certificate received Fire	255	5	242	85	94.9
	218 NI Modification Fire	64	20	61	85	96.83
	29 Pension Estimate Fire	546	10	464	85	84.98
	30 Pension Set Up_Payment of Lump Sum (only for WY and Humberside) Fire	57	3	53	85	92.98
	48 Purchase of Service Quote Fire	2	20	2	85	100
	47 Retirement Actual Fire	57	10	56	85	98.24
	204 Set Up New Spouse Pension Fire	23	5	23	85	100
	237 Spouse Potential Fire	18	10	14	85	77.77
	22 Transfer In Quote Fire	3	10	3	85	100

01 April 2018 to 31 May 2018 – KPIs

StartDate: 01-Apr-2018						
EndDate: 31-May-2018						
UPM Clients: West Yorkshire Fire						
WORKTYP	WORKTYPE	TOTAL_CASES	TARGET_DAYS_FOR_EACH_CASE	TARGET_MET_CASES	MINIUM_TARGET_PERCENT	TARGET_MET_PERCENT
216	Age 55 Increase Fire	12	20	12	85	100
210	Change of Address Fire	21	20	20	85	95.24
212	Change of Bank Details Fire	4	20	4	85	100
228	DG Nomination Form Received Fire	4	20	4	85	100
224	DWP Request For Information Fire	1	10	1	85	100
245	Death in Retirement FIRE	4	5	4	85	100
31	Deferred Benefits Into Payment â€œ Payment of Lump Sum (only for WY and Humberside) Fire	1	3	1	85	100
24	Divorce Quote Fire	2	40	2	85	100
25	Divorce Settlement â€œ Pension Sharing order Implemented Fire	1	80	1	100	100
220	Enquiry Fire	2	5	2	85	100
214	General Payroll Changes Fire	43	20	43	85	100
242	Initial letter Death in Retirement FIRE	4	5	4	85	100
226	Life Certificate received Fire	40	5	36	85	90
218	NI Modification Fire	8	20	8	85	100
29	Pension Estimate Fire	91	10	91	85	100
30	Pension Set Up_Payment of Lump Sum (only for WY and Humberside) Fire	13	3	10	85	76.92
48	Purchase of Service Quote Fire	1	20	1	85	100
47	Retirement Actual Fire	13	10	13	85	100
46	Retirement Quote Fire	15	10	15	85	100
204	Set Up New Spouse Pension Fire	2	5	2	85	100
237	Spouse Potential Fire	3	10	2	85	66.67
22	Transfer In Quote Fire	2	10	0	85	0