



MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME held on Thursday, 22 November 2018 at Leadership Team Conference Room - Fire Service, Clemonds Hey at 1.30 pm

PRESENT:

Board Members: Councillor G Merry, A Waller, N McElroy and G Peers (FBU)

Officers: A. Harvey (Director of Transformation), J. Nixon (Governance Advisor), J. Swift (HR Business Support Manager) and D. Linton (Governance and Corporate Planning Manager)

Guests: G. Hall and G. Coates (XPS)

1 APOLOGIES

There were no apologies of absence.

2 DECLARATION OF INTERESTS

The Board Members completed an updated Declaration of Interest form for 2018-19

3 NOTES FROM THE PREVIOUS MEETING

RESOLVED: That

[1] the minutes of the meeting of the Local Pension Board held on 28th November 2017 be confirmed as a correct record.

4 KIER CHESHIRE FIRE SERVICE DELIVERY REPORT APRIL 2018 - MARCH 2019

The Operations Manager, Graeme Hall from XPS presented the Cheshire Fire and Rescue Service Delivery Report for 2018-2019 which contained the following information:-

- Regulations and Guidance from April to September 2018
- One complaint received relating to incorrect benefits quoted prior to retirement
- Common Data
- Performance Charts against service level agreements

Graeme Hall reported that Kier Business Services had entered into an agreement to sell its pension unit to XPS Pension Group which had taken place on 1st November 2018. XPS were one of the largest pensions consultancy companies in the UK, administering pensions for over 800,000 people. The Kier pensions team based in Middlesbrough had all transferred to XPS, meaning that all accrued knowledge of the firefighter pension scheme would be retained and the existing software,

Heywoods Altair, would continue to be used. It was the intention to expand and strengthen the current team moving forward and a bespoke officer would be allocated to work specifically with firefighter pensions. XPS were also concentrating on improving customer satisfaction by introducing satisfaction surveys to gain feedback on the service provided.

It was reported that the Cheshire Fire and Rescue Service and Cheshire Constabulary along with two other organisations now had a combined contract with XPS and Cheshire Fire and Rescue Service were keen to learn from the areas of good practice to improve the service currently provided.

A Board Member sought clarification on how low accuracy would be captured in XPS's performance reports. It was noted that most of the KPIs related to service level agreements regarding timescales, however, there was an absence of qualitative performance reporting in respect of accuracy.

A Board Member also made reference to the one complaint received during the reporting period. Graeme Hall advised that further control measures had been implemented to ensure that type of mistake did not occur again. A Board Member sought clarity on how XPS would report situations such as Annual Benefit Statements being sent to an incorrect address. In response, Graeme Hall advised that this would not be reported at present, however, going forward this would be recorded as a data breach.

It was reported by XPS that this information could be checked using the self-service tool that was currently used by a number of organisations including Cheshire Constabulary and Cleveland Fire and Rescue Service. In response the Director of Transformation advised that she would seek assurances regarding the accuracy of the data used by the self-service tool prior to agreeing to implementation.

Currently the HR Business Support Manager had quarterly meetings with XPS to discuss and resolve any issues raised. It was the intention that Cheshire Fire and Rescue Service would work closely with colleagues in the Multi-Force Shared Service to ensure a seamless transition for the transfer of data and appropriate knowledge transfer prior to implementation on 1st April 2019.

RESOLVED: That:

- [1] the content of the report and comments raised be noted.**
- [2] Graeme Hall to incorporate Performance KPIs into future performance reports that would provide reassurance regarding accuracy and qualitative performance.**

5 FIREFIGHTER PENSION SCHEME UPDATE

The HR Business Support Manager presented a report to provide the Pension Board with an update on current issues relating to the Firefighter's Pension Schemes, which included the following:-

- Pensions Administrator Transfer;

- Firefighter Pension Scheme Bulletins;
- Firefighter Pension Scheme Valuation;
- Contracting-Out Reconciliation Exercise;
- Regulatory Amendments
 - i) Change to SCAPE discount rate; and
 - ii) Police and Firefighter's Pension (Amendment) Regulation 2018;
- The Pension Regulator (TPR) Annual Survey;
- Annual Benefit Statements 2018 (ABS).

The Pension Board was advised that the ABS for 2017-18 had been produced and dispatched by 22nd August 2018 against the deadline of 31st August 2018. It was reported that in 2017, a number of employees and pension board members had not received an ABS. This year, a number of additional checks had been implemented to resolve this issue and a request had been published in the green bulletin asking any members who did not receive an ABS to notify the payroll team. A reconciliation of XPS's data to identify any variances had also been carried out. To date 3 employees had reported that they had not received an ABS. These employees were included in XPS's data, therefore the cause was likely to be due to postal issues and one was due to XPS holding an incorrect address. In comparing the data with that held by XPS, 36 employees had been identified for whom an ABS may not have been produced. Work with XPS was taking place to identify the cause and any necessary resolution. A further update would be provided at the next meeting of the Pension Board.

A Board Member asked if the service information provided in the ABS could be itemised rather combined together in the future to allow members to verify that their information was correct more easily. In response, Graeme Hall, advised that the software used to produce the ABS was limited, but said that if an email request for this change was sent then he could investigate this further.

RESOLVED: That:

- [1] the content of the report and comments raised be noted.**
- [2] an update on Annual Benefits Statements be submitted to the next meeting.**
- [3] The HR Business Support Manager to email Graeme Hall asking if the service information provided in the ABS could be itemised rather combined together in the future to allow members to verify that their information was correct more easily.**

6 LGA FIRE PENSIONS ANNUAL CONFERENCE - 18 SEPTEMBER 2018

The Governance Advisor provided a debrief from the LGA Fire Pensions Annual Conference that she and the Director of Transformation had attended on Tuesday 18th September 2018. The report highlighted the key themes raised at the conference which included:

- Annual Allowance Tax Charges
- Scheme Valuation
- Joint Pension Board across Leicester, Derbyshire and Nottinghamshire Fire

- Services (same Administrator)
- Retirement forecasting
 - Pension Discrimination Claims (Outcome due in Spring 2019)
 - Pension Ombudsman Cases
 - Pensionable Pay
 - Benchmarking Exercises Commissioned by AON

RESOLVED: That

[1] the content of the report be noted.

7 CHESHIRE FIRE AND RESCUE SERVICE INTERNAL PENSIONS ADMINISTRATIONS PERFORMANCE UPDATE

The Director of Transformation and HR Business Support Manager provided an update on the internal pensions administrations performance, with specific reference to the following:

Gap Analysis and Future Work Plan: A work plan was being created to identify gaps between current practice and best practice, as outlined by the Pensions Regulator and the Scheme Advisory Board. This would be submitted to a future meeting of the Pensions Board for consideration.

Risk Register Review: A copy of the Firefighter Pension Scheme Risk Register was circulated, for information. It was the intention to publish this information on the Cheshire Fire and Rescue Service website. A discussion was had on the loss of key staff and what arrangements were in place for succession planning. Reassurance was provided that discussions were underway in respect of the HR Business Support Manager's role for purposes of business continuity. It was also pointed out that there would now be two pension experts that would work with XPS one to focus on Cheshire Fire and Rescue Service and other on Police and knowledge would cross between the two positions.

The Pension Board requested that two additional risks were included on the Risk Register, namely, 'Data Forecast and Calculations' and under 'Administration Failure/Maladministration' an additional risk was included on 'Loss of Key Staff'.

Breaches Update: There were no breaches to report, a review would take place regarding the ABS issue and the outcome would be reported to a future meeting of the Pensions Board.

Data Review: XPS on behalf of Cheshire Fire and Rescue Service had completed an audit of all common data. The implementation guidance was in the process of being updated to reflect the review.

IDRPs: In the last six months two IDRPs had been considered. A case relating to ill-health retirement had been referred to the Pensions Ombudsman.

Training and Development Log: The Governance and Corporate Planning Manager would create an updated training and development log.

RESOLVED: That:

- [1] the update and comments raised be noted.
- [2] two additional risk to be included on the Risk Register, namely, 'Data Forecast and Calculations' and under 'Administration Failure/Maladministration' an additional risk was included on 'Loss of Key Staff'.

8 THE PENSIONS REGULATOR SURVEY 2018 - DRAFT RESPONSE

The HR Business Support Manager advised that The Pensions Regulator had recently circulated their annual survey to all fire and rescue authorities seeking feedback on the operation of Local Pension Boards.

A copy of Cheshire Fire and Rescue Service's draft response which had been completed by the Director of Transformation in conjunction with the HR Business Support Manager was circulated at the meeting, for the Pension Board's comments. The deadline for submission to the Pensions Regulator was 30th November 2018. The responses from the survey were due to be published in May 2019.

The Board considered the draft response. It was reported that the Scheme Provider would provide a response to questions in Section D – Cyber Security.

The Board sought clarity on the answer provided to '**Question A4 – Do the scheme and pension board have sufficient time and resources to run the scheme properly? Answer: No**'. In response, the Director of Transformation advised that the scheme was currently run properly however with more resources this could be improved. The Board requested that this was recorded on the Risk Register and the reason for the answer was explained further in the reply to Question K7 – Other comments/clarify or explain any of the answers which have been provided.

RESOLVED: That

- [1] the Cheshire Fire and Rescue Service draft response be approved for submission to The Pensions Regulator by the 30th November 2018 with the inclusion of the Scheme Provider's response to Section D.
- [2] the issues covered in the answer to Question A4, as detailed above, be included on the Risk Register.

9 PENSIONS PRIVACY NOTICE

The Governance Advisor presented the Pensions Privacy Notice.

The notice was produced for members and beneficiaries of the Firefighters Pension Schemes 1992, 2006 and 2015, to inform them of how their personal data was being used. The notice was available on both the Cheshire Fire and Rescue Service internet and intranet.

RESOLVED: That

[1] the Pensions Privacy Notice be noted.