

Fire & Rescue Service Headquarters Summergroves Way Kingston upon Hull HU4 7BB
Telephone 01482 565333

To: Members of the Pension Board

16 January 2020

Dear Member

Kindly find attached the Agenda and papers for the ANNUAL MEETING of the PENSION BOARD of the Humberside Fire Authority to be held at HUMBERSIDE FIRE & RESCUE SERVICE HEADQUARTERS, SUMMERGROVES WAY, KINGSTON UPON HULL, HU4 7BB on MONDAY 27 JANUARY 2020 at 10.30AM.

The business to be transacted is set out below.

Yours sincerely



Mathew Buckley
Monitoring Officer & Secretary to Fire Authority

Enc.

A G E N D A

PENSION BOARD

Monday 27 January 2020, 10.30AM

Business	Page Number	Lead	Primary Action Requested
1. Apologies for absence	-	Monitoring Officer/ Secretary	To record
2. Declarations of Interest (Members and Officers)	-	Monitoring Officer/ Secretary	To declare and withdraw if pecuniary
3. Minutes of the meeting of 12 July 2019	(pages 1 - 3)	Chairperson	To approve
4. Matters arising from the Minutes, other than on the Agenda	-	Chairperson	To raise
5. Update Report: Reporting Breaches	Oral	Procurement Manager	To receive
6. Workstreams Update	(pages 4 - 16)	Executive Director of Corporate Services	To receive
7. The McCloud/Sargeant Pension Case – Restitution	Oral	Procurement Manager	To receive
8. The O'Brien RDS Modified Part 2 Judgement	Oral	Procurement Manager	To receive
9. Pension Scheme Transitional Protections: 2006 Scheme	Oral	Procurement Manager	To receive

Business	Page Number	Lead	Primary Action Requested
10. Firefighters' Pension Scheme – Administration and Benchmarking	(pages 17 - 22)	Finance Officer	To receive
11. The Pensions Regulator Survey	(pages 23 - 38)	Finance Officer	To receive
12. GAD 2016 Valuation Data	(pages 39 - 40)	Procurement Manager	To receive
13. Pension Schemes Bill	Oral	Finance Officer	To receive
14. Any Other Business	-	All Members	To raise

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HUMBERSIDE FIRE AUTHORITY

PENSION BOARD

12 JULY 2019

PRESENT:

Employer representatives: Councillor Shepherd (Chairperson) and P McCourt (Director of Public Safety)

Scheme Member representatives: Mr B Johnson and Mr G Marshall

Executive Director of Corporate Services/Section 151 Officer and Scheme Manager, Monitoring Officer/Secretary, Director of People and Development, Head of Finance, Procurement Manager, Finance Manager, Finance Officer and Committee Manager.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull. Meeting commenced at 10.30a.m.

The Monitoring Officer/Secretary took the chair.

1/19 APOLOGIES FOR ABSENCE - There were no apologies for absence.

2/19 DECLARATIONS OF INTEREST - There were no declarations of interest.

3/19 ELECTION OF THE CHAIRPERSON OF THE PENSION BOARD 2019/20 -

The Monitoring Officer/Secretary submitted a report on the appointment of a Chairperson for 2019/20 indicating that the appointment of a Chairperson was an annual decision made at the Annual General Meeting of the Authority or that the Chairperson was elected at the first meeting of the Pension Board following the Annual General Meeting. The Terms of Reference of the Pension Board as set out in Article 10A of the Constitution provided that the position of Chairperson would normally rotate on an annual basis between the Employer's representatives and the Scheme Member representatives on the Board. In 2018/19, the Chairperson had been a Scheme Member representative.

Resolved - That Councillor Shepherd be appointed Chairperson.

Councillor Shepherd took the chair.

4/19 MINUTES - Resolved - That the minutes of the meeting of the Board held on 25 January 2019 be confirmed as a correct record.

5/19 MATTERS ARISING FROM THE MINUTES - Members discussed the following matter arising from the minutes of the meeting held on 25 January 2019:

Minute 6037 - The Executive Director of Corporate Services/Section 151 Officer informed the Board that the judgements in the Lord Chancellor v McCloud case concerning age discrimination in relation to publically funded pensions had found that changes made to pension schemes had discriminated against a group of firefighters and a group of judges on the grounds of age. The Government had since been refused permission by the Supreme Court to appeal the decision and the matter was due to be referred back to the Employment Tribunal for remedy.

6/19 PENSION BOARD COMPOSITION 2019/20 AND TERMS OF REFERENCE - The Monitoring Officer/Secretary submitted a report that confirmed the composition of the Pension Board for 2019/20 as approved by the Fire Authority at its meeting of 3 June 2019:

<u>Employer representatives</u> (2):	1 Elected Member (Councillor Shepherd) 1 Officer (Director of Service Delivery)
<u>Scheme Member representatives</u> (2):	1 representative nominated by the representative bodies via discussion and agreement at the Joint Consultative Committee (Mr G Marshall). 1 representative selected from expressions of interest by individual HFRS FPS members or those eligible to be HFRS FPS members (Mr B Johnson)

Resolved - That the report be received.

7/19 CALENDAR OF BOARD MEETINGS 2019/20 - The Monitoring Officer/Secretary submitted a report indicating that, at the Annual General Meeting of the Authority held on 3 June 2019, the calendar of meetings for the 2019/20 had been agreed.

Resolved - That the report be received.

8/19 REPORTING BREACHES - The Procurement Manager informed the Board that there had been no breaches since the meeting held on 25 January 2019.

Resolved - That the update be received.

9/19 PENSION BOARD WORKSTREAMS - The Executive Director of Corporate Services/Section 151 Officer submitted a report setting out an update on the workstreams that had been agreed at the Pension Board in January 2016. The workstreams were designed to ensure that the Board operated in compliance with the Pension Regulator's Code of Practice for pension boards.

The Executive Director of Corporate Services/Section 151 Officer explained that the Board's first training event of 2019/20 would be held on 9 October 2019 at 10.00am. The risk register (Appendix 2) had been updated in accordance with legislative changes. Appendix 3 to the report outlined performance in relation to its key performance indicators (KPIs). The pension fund administrators had received a high volume of requests for pension estimates from scheme members following its issuing of Annual Benefits Statements. This had resulted in significantly increased workloads during the third quarter as the requests had coincided with other, statutory deadlines, which had meant that some requests had not been addressed within the targeted period of time (10 days) during October and November 2018. There had also been a backlog of cases relating to setting up deferred benefits following the cessation of scheme members' employment. The backlog had reached its worst in December 2018, but had been successfully addressed during the intervening months. The fourth quarter's KPIs represented a significant improvement in relation to the third and delays in fulfilling scheme members' requests had reduced.

Appendix 4 to the report summarised the current scheme membership. Of the scheme members:

- 80 percent were enrolled in the HFRS 2015 Pension;
- 13 percent were enrolled in the HFRS 1992 Pension;
- 6 percent were enrolled in the HFRS Modified Pension;
- 1 percent were enrolled in the HFRS 2006 Pension.

Resolved - (a) That the report be received, and

(b) that the quality of the biannual Pension Newsletter produced by the West Yorkshire Pension Fund be commended.

10/19 2018 ANNUAL BENEFIT STATEMENT SURVEY - RESEARCH PROJECT - The Finance Officer provided a report to the Board summarising the outcomes of the Scheme Advisory Board's Annual Benefit Statement Survey of 2018.

Of the 47 fire and rescue authorities (FRAs) surveyed in England and Wales, 66 percent responded. 95 percent of respondents indicated that they had met statutory deadlines in relation to the provision of Annual Benefits Statements (ABS) to scheme members. Just under 70 percent of respondents indicated that they used their own version of the ABS template and almost a quarter indicated that they used their system providers' methods. There was a need to encourage software providers to implement changes to support the HFRS Modified Pension Scheme as the process of producing ABSs required more manual input than for other schemes.

Resolved - That the report be received.

11/19 PENSIONABLE PAY GUIDANCE (BOOTH V. MID AND WEST WALES) - The Finance Officer submitted a report summarising the recent High Court judgement on the case of Booth v Mid and West Wales.

While the judgement had related to pay for the Welsh Firefighter Pension Schemes, the points of judgment would apply equally to English Firefighters Pension Schemes. One of the issues in the case was that the 2006 and 2015 regulations had not provided definitions of the term 'temporary' in relation to employees' job titles and pensionable pay. Justice Fancourt concluded that 'temporary' should be read "...in the sense of being occasional, one-off, irregular or for a limited period of time only". However, the Director of People and Development reminded the Board that such terms and definitions would not necessarily align with their equivalents in terms of human resources and employment law, but only in relation to pensionable pay. Additionally, each of the pension schemes were subject to different conditions.

Resolved - That the report be received.

12/19 PENSION FUND ACCOUNT 2018/19 INCOME AND EXPENDITURE - The Finance Manager submitted a report summarising the Pension Fund Account income and expenditure for 2018/19.

The report enclosed with the agenda was subject to audit and the audit process was due to conclude in following weeks. The Pension Fund Account deficit had reached £13m, £11m of which had been addressed by funds received from the Home Office, with the remaining £2m to be received by the end of July 2019.

Resolved - That the report be received.

14/19 ANY OTHER BUSINESS – There were no items.

Meeting closed at 10.50 a.m.

WORKSTREAMS UPDATE

SUMMARY

1. This report sets out an update on the workstreams that were originally agreed at the Pension Board in January 2016.
2. The workstreams are designed to ensure that the Board operates in compliance with the Pension Regulator's Code of Practice for Pension Boards.
3. The list of activities is not exhaustive and has evolved over the last 12 months and will continue to do so over the coming months.

RECOMMENDATIONS

4. That the Board considers the workstreams that are set out in this report.

WORKSTREAMS

5. Appendix 1 of this report sets out the workstreams proposed for the Pension Board over the short-to-medium term.
6. The workload aims to meet the requirements of the Code of Practice for Pension Boards and has therefore been shaped into three broad areas:-

Governance, Administration and Communication

7. The elements that are timetabled to be reported upon at this meeting are set out below:-

- **Governance**

G3 workstream – Training

Training has been delivered at regular points since the inception of the Board in July 2015.

In September 2017 a training session for Pension Board Members and Officers was delivered by colleagues from LGA Pensions and the Pensions Regulator and more recently training in relation to tax was delivered in October 2019.

G5B workstream – Summary of Complaints Received

A clear process for complaints has been adopted and is a key component of the governance of the Firefighter Pension Schemes (FFPS).

There have been no complaints in relation to our administration of the FFPS in 2016/17, 2017/18, there was one complaint in 2018/19 which has now been concluded, and there has been one complaint in 2019/20 to date.

G6 workstreams – Risk Register

The Authority's team involved in the operation of the FFPS have developed a comprehensive Risk Register attached as Appendix 2.

The Risk Register identifies the three most dominant risks as the maintenance of Member data (Risk 2), over reliance on key pensions administration officers (Risk 6), and also legislative change (Risk 7).

These risks reflect the recent significant changes in the FFPS which have brought a much greater emphasis on the completeness and accuracy of data and a number of fundamental scheme changes and legal rulings.

All of these risks will be monitored carefully and it is felt that the mitigations and controls in place at present are sufficient.

- **Administration**

A1 workstream – KPIs and Benchmarking, SLAs

The Service now has an agreed set of Key Performance Indicators (KPIs) with West Yorkshire Pension Fund (WYPF) who act as administrators of the FFPS on our behalf.

The KPIs are monitored and reported on monthly. Appendix 3 sets out the position for quarters 1 and 2 of 2019/20.

The data shows good performance in most of the key areas.

The KPIs provide a sound basis on which to manage performance going forward.

A2 workstream – Costs per Member and Number of Scheme Members

Appendix 4 sets out the latest position of scheme members including those currently contributing to the 1992, 2006 and 2015 schemes and those in receipt of a pension. This information will be brought to each Board meeting.

- **Communication**

There have been no further newsletters issued by WYPF since the last meeting.

STRATEGIC PLAN COMPATIBILITY

8. No direct issues arising.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

9. No direct issues arising.

LEGAL IMPLICATIONS

10. The workstreams outlined in this report will ensure that HFRS can run a legally compliant Pension Board.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

11. No direct issues arising.

CORPORATE RISK MANAGEMENT IMPLICATIONS

12. No direct issues arising.

HEALTH AND SAFETY IMPLICATIONS

13. No direct issues arising.

COMMUNICATION ACTIONS ARISING

14. No direct issues arising.

DETAILS OF CONSULTATION AND/OR COLLABORATION

15. No direct issues arising.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

16. Papers as attached.

RECOMMENDATIONS RESTATED

17. That the Board considers the workstreams that are set out in this report.

K WILSON

Officer Contact: Kevin Wilson ☎ 01482 567183
Executive Director of Corporate Services/S.151 Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

KW/JP
15 November 2019

PENSION BOARD – PROPOSED WORKSTREAMS

	Workstream	Progress	Report to Pension Board		
			Previous	Today	Future
GOVERNANCE					
G1	Establish the Pension Board	Completed	July 2015	-	-
G2	Code of Practice	Circulated and discussed at the January 2016 meeting - Completed	January 2016	-	-
G3	Training	Ongoing with initial training completed July/August 2015 and further training in April 2016 and March 2017 LGA training September 2017 WYPF training July 2018 Tax training October 2019	July 2015 June 2016 January and July 2017 January and July 2018 October 2019	-	Ongoing
G4	Knowledge	Knowledge matrix as a basis on which to identify Pension Board Members' knowledge gaps circulated at January and June 2016 meetings and at April 2016 Pension Board Training	January and June 2016 and January 2017	-	-
G5A	Complaints	Flowchart for the current complaints procedure for the FFPS circulated and discussed at January 2016 meeting - Completed	January 2016	-	-
G5B	Summary of Complaints received	Complaints received in 2015/16 circulated. No complaints in 2016/17 and 2017/18, one in 2018/19 and one in 2019/20 to date	June 2016 January and July 2017 January and July 2018 January and July 2019	Jan 2020	Each Pension Board
G6	Risk Register	The Risk Register is updated on an ongoing basis.	June 2016 and January, July 2017 January, July 2018, January 2019, July 2019	Jan 2020	Each Pension Board
ADMINISTRATION					
A1	KPIs and Benchmarking, SLAs	KPIs are reported monthly.	January and June 2016 January and July 2017 January and July 2018 January and July 2019	Jan 2020	Each Pension Board
A2	Costs per member and number of scheme members	Reported to January 2016 Board and each Board thereafter	January and June 2016 January and July 2017 January and July 2018 January and July 2019	Jan 2020	Each Pension Board
A3	Data for CARE and data quality	The recent move to the new ERYC payroll system has facilitated the production of this information by 31 March 2016 - Completed	June 2016	-	-
A4	Pension expenditure	Compiled as part of the Annual Accounts	June 2016 July 2017 July 2018 July 2019	July 2020	July 2021

COMMUNICATION					
C1	By Scheme	Latest publication presented to meetings	January 2016, January and July 2017 July 2018 July 2019	-	When published
C2	By the Service	Latest publication presented to January 2016 meeting	January 2016	-	When published
C3	Benefit Statements	Issued week commencing 19 December 2016 and August 2017, 2018 and 2019	January 2017	-	-
C4	Calculators	Circulated at the April 2016 Pension Board Training and now on the Authority's website - Completed	April 2016 Pension Board Training	-	-

Firefighters' Pension Scheme - Administration Risk Register

Risk Assessment Form									
Organisation: Humberside Fire & Rescue Service									
Scheme Manager: Delegated to Executive Director of Corporate Services and s151 Officer									
Risk	Assessment of Risk			Risk Control Measures	Owner	Test	Next Review	Comment	
	Likelihood	Impact	Risk Rating						
Risk Area 1 - Operations									
1	Operational disaster (fire, flood etc)	1	4	4	Business continuity plans in place for Pension Administrator Business continuity plans in place for Scheme Manager	Senior Finance Officer Senior Finance Officer	Annual Dec-20		
2	Member data incomplete or inaccurate	3	3	9	Annual report from Pension Administrator used as basis for rectification/data cleansing plan Returns from annual statements, Life Certificate checks, and National Fraud Initiative checks	Senior Finance Officer Pension Admin	Annual Dec-20	Less likely that data will be incomplete or inaccurate now that monthly returns are being submitted	
3	Administration process failure/maladministration	1	2	2	Formal agreement in place with administrator, including SLAs Authority levels clearly agreed and kept up to date Review independent reports of administrator's process Ongoing dialogue with administrator	Senior Finance Officer Scheme Manager Scheme Manager Senior Finance Officer	Annual Dec-20 Dec-20 Ongoing	KPIs subject to quarterly review	
					Contract meetings between Pension Administrator and Senior Finance Officer	Senior Finance Officer	Quarterly Ongoing		

Risk Matrix

The following model rates the impact and likelihood of an identified risk using a scale of 1 to 5.

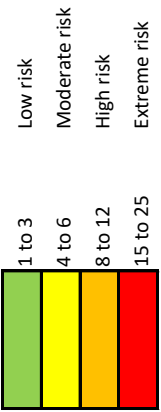
The likelihood score is multiplied by the impact score (as shown in the table) to give an overall risk score.

The final score will influence the level of monitoring and/or control required in relation to each risk.

Likelihood Score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Almost Certain
Frequency	This will probably never happen/recur	Do not expect it to happen/recur but it is possible it may do so	Might happen/recur occasionally	Will probably happen/recur, but it is not a persisting issue/circumstance	Will undoubtedly happen/recur, possibly frequently

Impact Score	1	2	3	4	5
Descriptor	Negligible	Minor	Moderate	Major	Catastrophic
Risk Area 1 - Operations	Minor problem easily handled by normal day to day processes	Some operational disruption possible	Significant time/resources required	Operations severely damaged	Operational survival at risk
Risk Area 2 - Financial	Little/no financial impact	Potential for short term financial impact	Potential for medium term financial impact	Potential for long term financial impact	Potential for permanent long term financial impact
Risk Area 3 - Funding	Little/no effect on members' benefits, and unlikely to be reported to the regulator	Little/no effect on members' benefits, but likely to be reported to the regulator	Material effect on members' benefits, and likely be reported to the regulator	Material effect on members' benefits, and will be reported to the regulator	Material effect on members' benefits, and may result in legal action
Risk Area 4 - Regulatory & Compliance	Little/no impact	Misunderstanding of rules/regulations resulting in reduced performance	Breach of rules/regulations resulting in informal complaint(s)	Breach of rules/regulations resulting in formal report or complaint(s) being lodged	Breach of rules/regulations resulting in legal action

	Likelihood Score				
Impact Score	1	2	3	4	5
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5



KPIs 2019/20 Quarter 1 & 2

Number	Key Performance Indicator	Target Days	Minimum
1	Age 55 Increase	20	85%
2	Change of Address	20	85%
3	Change to Bank Details	20	85%
4	Death Grant Nomination Received	20	85%
5	Death in Service - Payment of Death Grant	5	85%
6	Death Notification	5	85%
7	Death of Pensioner - Payment of Death Grant	5	85%
8	Deferred Benefits into Payment	3	85%
9	Deferred Benefits Set up on Leaving	10	85%
10	Divorce Quote	35	100%
11	Divorce Settlement - Pension Sharing Order	80	85%
12	DWP Request For Information	10	100%
13	Enquiry	5	85%
14	Initial Letter Acknowledging Death	5	85%
15	Initial Letter Death in Deferment	5	85%
16	Initial Letter Death in Retirement	5	85%
17	Initial Letter Death in Service	5	85%
18	Letter Dependants Benefits	3	85%
19	Life Certificate Received	5	85%
20	New Starter Set up	10	85%
21	NI Modification	20	85%
22	Payment of Beneficiary Pension	5	85%
23	Payroll Changes	20	85%
24	Pension Estimate	10	85%
25	Potential Spouse Enquiry	10	85%
26	Purchase of Service Quote	20	85%
27	Refund Quote	35	85%
28	Retirement Actual	10	85%
29	Retirement Quote	10	85%
30	Set up New Spouse Pension	5	85%
31	Set up Payment of Lump Sum	3	85%
32	Transfer in Payment Received	35	85%
33	Transfer In Quote	10	85%
34	Transfer Out Payment	10	85%
35	Transfer Out Quote	35	85%



KPIs 2019/2020 Quarter 2



Firefighters' Pension Scheme - Number of Scheme Members and Administration Cost Per Member as at 30/09/2019

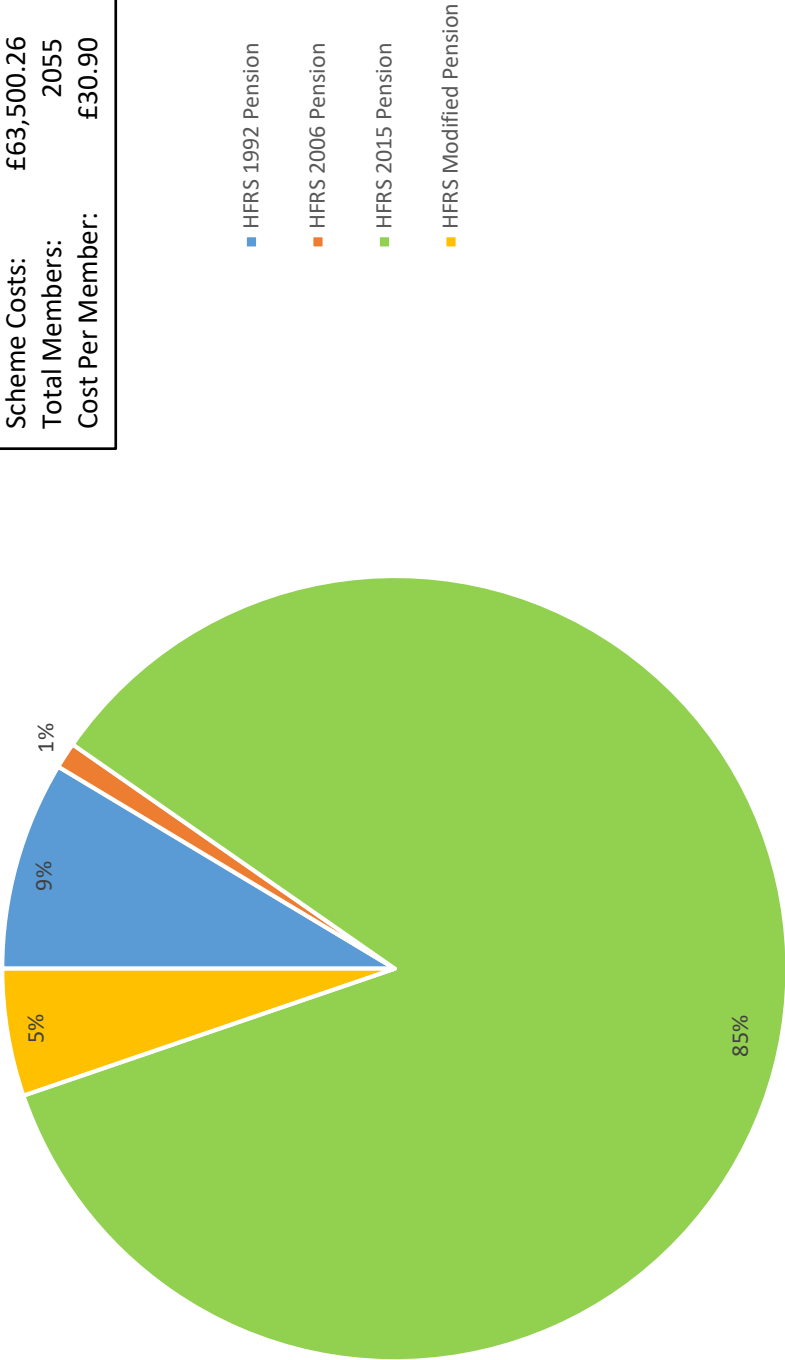
Total Members

Scheme Name	Active	Deferred	Pensioner	Beneficiary
HFRS 1992 Pension	64	47	833	142
HFRS 2006 Pension	8	114	10	8
HFRS 2015 Pension	633	86	4	0
HFRS Modified Pension	39	12	55	0
Total	744	259	902	150
Grand Total	2055			

Total Costs

Service	Cost
HFRS Salary	£30,015.36
Administration	£28,429.00
Payroll	£5,055.90
Total	£63,500.26

Active Members



**FIREFIGHTERS' PENSION SCHEME
ADMINISTRATION AND BENCHMARKING REVIEW**

SUMMARY OF FINDINGS

Scheme is managed by 45 FRAs, with 89,000 members
Responses received from all 45 FRAs and 3,958 members

Do members receive a good service?

- **Are the right benefits paid at the right time?**

20% of administrators do not send members a notification of joining the Scheme 2 months from joining (or 1 month from receiving jobholder information where the member is being automatically re-enrolled)

Member must receive notification of retirement benefits 1 month from date of retirement if on or after normal pension age, or 2 months from date of retirement if before normal pension age. All administrators worked to a shorter timeframe than legislation required

Not clear whether benefits paid at the right time to all members due to lack of clarification in the survey responses

- **Online communications**

64% of administrators do not provide members with online self-service facility

- **Complaints**

11 administrators had no IDRP complaints
22 administrators had between 1 and 5 in the last 3 years
10 administrators had between 5 and 10 in the last 3 years
1 administrator had over 20 in the last 3 years

- **Scheme member perspective**

Whilst many members agree or strongly agree that they get information that is clear and concise, the majority didn't comment, with more strongly disagreeing regarding the following issues than strongly agreeing:

Timeliness of communication
Regularity of updates
Clarity of communication
Appropriateness of methods of communication
Clear and timely response to questions/requests

Administration cost per member?

A number of FRAs did not provide complete information so accuracy of figures could not be checked

Average cost per member was £76.80 in 2018 (taking into account internal FRA staffing costs and external admin and software costs, but excluding the cost of special projects)
This rose to £120.33 when taking special projects into account

Themes

- **Complexity of the Scheme**

A quarter of FRAs believe they have an average understanding of the Scheme (rather than good or excellent)

66% of FRAs find it difficult to make decisions in relation to the Scheme where there are discretions e.g. pensionable pay and ill health retirements, due to the complexity

22.25% (855) of members did not understand the benefits the Scheme offered and 39.43% (1,515) were unsure

32 out of 37 FRAs who commented referred to the need to reduce complexity or increase clarity and simplicity around various aspects of the Scheme

- **Relationships - interaction and perception**

30 administrators rated the service levels they offer in relation to income they receive as excellent

86% of administrators feel FRAs are appropriately resourced to provide them with required information/data

Primary reason to change administrator was end of contract, only 18% changed due to cost effectiveness/unsatisfactory service

- **Reporting**

59% of administrators do not report back to FRAs on the FRA's performance

11% of administrators do not report back to FRAs on their own performance

43% of administrators do not report to the local pension board

- **Data**

Only 18% of administrators were concerned about timeliness of information received from FRAs

Only 9% of administrators were concerned with data quality

- **Engagement and communication**

68% of administrators felt that Scheme members have greater expectations than members of other schemes they administer

22 administrators felt unsure about whether members actually understood what they received, with only 3 feeling completely confident that members understand the information they receive

27% of members do not know who their administrator is

61% of members partly understand or don't understand the Scheme

Over 500 comments were made about the service and communication provided, there were many concerns about the level of customer service received

- **Breaches of the law**

1 administrator indicated that they had 2 breaches over the past 3 years (both of which were reported to TPR)

4 FRAs indicated they had breaches over the past 3 years (3 with 1 and 1 with 2) but we do not know if these were reported to the regulator

These numbers are surprisingly low and do not align with information from TPR

- **Costs**

In order to assess value for money, it is necessary to compare with other UK pension schemes:

- LGPS costs

Cost per member £30 2017/18

However, the LGPS is a materially larger, multi-employer, funded scheme so not directly comparable with a national unfunded scheme that is administered locally.

- Private sector schemes

2012 data suggests

£182 for schemes above 5,000 members (based on 24 schemes)

£281 for schemes between 1,000 and 4,999 members (based on 75 schemes)

£505 for schemes between 100 and 999 members (based on 106 schemes)

This includes monitoring of investments, asset managers, actuarial valuations, covenant assessments and monitoring of the sponsoring employer, there are also additional compliance requirements.

Allowing only for administration costs the average per member costs were:

£53 for schemes above 5,000 members (based on 25 schemes)

£89 for schemes between 1,000 and 4,999 members (based on 77 schemes)

£172 for schemes between 100 and 999 members (based on 110 schemes)

Difficult to draw too many conclusions from data as cannot guarantee a like for like comparison. However, the cost of administering the Scheme does seem quite high relative to LGPS and largest private sector schemes.

It may be premature to conclude that cost savings can easily be made due to the complexity of the Scheme, and the data is incomplete, so assumptions have been made. There are also likely to be more “special projects” in the future, specifically surrounding GMP and McCloud.

RECOMMENDATIONS

- **Reduce complexity in the Scheme**

- (1) Scheme changes and structure

- Reduce local decision making (discretions)
- Simplification project similar to that which is taking place for the LGPS
- Greater regard to the administrative implications of legislative changes (recognise that administration should not drive policy, but greater attention could be paid to the administrative implications of future changes)
- Review the overall structure of the Scheme to ensure the model of delivery is fit for purpose. It could be argued that some elements of complexity arise from the current structure of 45 Scheme Managers and 19 administrators. Scheme Managers are differently constituted (combined authorities, FRA function may sit with PCC, mayor's office or county council) – is this structure a barrier to consistency?
- There is no visibility on how much it costs to manage the Scheme. Scheme Managers fund pension costs arising from the administration and management of the Scheme from their operating accounts. The top up grant covers pension costs only, not admin costs. There may be more incentive for the Govt to limit complexity if those costs were more visible.
- Hutton report in 2011 suggested efficiencies by sharing contracts and combining support services, including outsourcing. Some of this has already taken place, but 45 Scheme Managers remain in place. Greater focus should be placed on achieving an optimal structure to deliver increasingly complex Scheme.

(2) Improving monitoring

- Improving local monitoring by way of administrators providing at least quarterly information to the Scheme Manager against a set of nationally recommended performance measures
- All local pension boards should be in receipt of performance statistics on a regular basis to enable them to monitor standards and ensure compliance in relation to administration of the Scheme
- National collection of data (such as that collected for this survey) on an annual basis.

(3) Engagement and communication

- Greater use of technology to enhance member experience (member self-service facilities) accompanied by clear communication to explain benefits in writing or through member engagement events
- The Board should consider how they can encourage greater engagement from FRAs and administrators to use information and communications that are already provided centrally (areas of concern raised in the survey were annual and lifetime allowance calcs and pensionable pay – information available should be highlighted to key stakeholders)

• **Collaborative approach to address data issues**

The Board's Administration and Benchmarking Committee is working to review terminology used in the annual return to TPR which will help ensure a consistent approach to information provided by FRAs and administrators

Administrators should also be encouraged to provide timely reports to FRAs on data issues, in line with a data improvement plan to provide a clear framework, and consideration should be given to involving local pension boards in this process

Greater electronic provision of information between FRAs and administrators to assist in timely provision and regular collection of data, which will drive accuracy

Training could be made available centrally, as well as suggested frameworks, performance metrics and the use of penalties

• **Provide clarity on timescales for key processes through a locally developed Administration Strategy**

Suggest that the Board considers recommending regulatory changes to encourage best practice among all Scheme Managers/FRAs and administrators. This could be achieved by requiring each Scheme Manager to have a locally developed pensions administration strategy to set out the Scheme Manager's aims and objectives. Performance against those aims and objectives must then be appropriately measured and monitored, and plans put in place to address areas of concern.

A range of target timescales should be determined by each FRA and they may wish to set shorter than legal timescales, the strategy should be publicly available. The Board should assist in setting timescales and KPIs

- **Greater engagement between administrators and FRAs**

Recommend stronger links are forged between the administrator and FRA to the local pension board to ensure performance is being monitored locally and issues identified.

Local pension boards should play a key role in improving the administration of the Scheme in promoting the existing range of LGA training materials and signposting information which is already centrally available

- **Reduce key person risk and ensure resource plans in place**

FRAs in conjunction with administrators should have clear business plans in place which are regularly reviewed and monitored. More precise reporting should be undertaken to allow for comparison and review of one-off activities

- **Better understanding and recording of breaches**

FRAs, administrators and local pension boards should familiarise themselves with existing resources on how to record and report breaches of the law.

Each FRA in conjunction with their administrator should revise its local policy and procedure on reporting breaches, including details of where the information is logged, who should be consulted and to whom it should be reported

- **Annual central data collection exercise**

This is the first time an exercise to gather cost data across the Scheme has been undertaken – this is the first step to an evidence based approach to ensure the effective and efficient administration of the Scheme.

The Board should develop a template for collection of administration and associated costs on an annual basis, with the cost information being published on the Board's website

If the Board is able to monitor costs over time, it may be able to ascertain whether special projects are continuing to lead to additional costs and work for FRAs and administrators, and whether administration business as usual is becoming more or less costly

Once these trends have been identified, it should be easier to identify what action can be taken to achieve greater cost efficiency in the delivery of Scheme benefits, without compromising the quality of service to members

The Pensions Regulator
Public Service Governance and Administration Survey 2019

This document is intended to be used as a guide to help you gather the information required for the survey. Please note, however, that we need you to complete the questionnaire through the [online survey link](#) contained in your invitation email.

Thank you for taking the time to complete this survey. Please answer the questions in relation to the scheme referenced in your invitation email. Where the scheme is locally administered, we mean the sub-scheme or fund administered by the local scheme manager.

Your responses will be kept anonymous unless you consent otherwise at the end of the survey. Linking your scheme name to your answers will help inform The Pensions Regulator's (TPR's) engagement with you in the future.

This survey should be completed by the scheme manager or by another party on behalf of the scheme manager. They should work with the pension board chair to complete it, and other parties (e.g. the administrator) where appropriate.

There is a space at the end of the survey to add comments about your answers where you feel this would be useful.

SECTION A – GOVERNANCE

The first set of questions is about how your pension board works in practice.

A1. EVERYONE TO ANSWER

Does your scheme have a documented policy to manage the pension board members' conflicts of interest?

Please select one answer only

- 1. Yes**
- 2. No
- 3. Don't know

A2. EVERYONE TO ANSWER

Does your scheme maintain a register of pension board members' interests?

Please select one answer only

- 1. Yes**
- 2. No
- 3. Don't know

A3. EVERYONE TO ANSWER

Focusing on the scheme's pension board meetings in the last 12 months, please tell us the following:

Please write in the number for each of a-c below

- a) Number of board meetings that were scheduled to take place (in the last 12 months)
- b) Number of board meetings that actually took

2

place (in the last 12 months)

2

- c) Number of board meetings that were attended
by the scheme manager or their representative
(in the last 12 months)

2

A4. EVERYONE TO ANSWER

Do the scheme manager and pension board have sufficient time and resources to run the scheme properly?

Please select one answer only

1. Yes

2. No

3. Don't know

A5. EVERYONE TO ANSWER

Do the scheme manager and pension board have access to all the knowledge, understanding and skills necessary to properly run the scheme?

Please select one answer only

1. Yes

2. No

3. Don't know

A6. EVERYONE TO ANSWER

How often does the scheme manager or pension board carry out an evaluation of the knowledge, understanding and skills of the board as a whole in relation to running the scheme?

Please select one answer only

1. At least monthly

2. At least quarterly

3. At least every six months

4. At least annually

5. Less frequently

6. Never

7. Don't know

A7. EVERYONE TO ANSWER

On average, how many hours of training per year does each pension board member have in relation to their role on the pension board?

Please write in the number below

6 hours per year

A8. EVERYONE TO ANSWER

Does the pension board believe that in the last 12 months it has had access to all the information about the operation of the scheme it has needed to fulfil its functions?

Please select one answer only

1. Yes

2. No

3. Don't know

A9. EVERYONE TO ANSWER

Is the pension board able to obtain sufficient specialist advice on the following matters when it needs to?

Please select one answer per row

	Yes	No	Don't know
a) Administration	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Cyber security	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Legal	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

A10. EVERYONE TO ANSWER

Focusing on the composition of your pension board, please tell us the following:

Please write in the number for each of a-d below

- a) Number of current board members 4
- b) Number of vacant positions on the board 0
- c) Number of members that have left the board in the last 12 months 0
- d) Number of members that have been appointed to the board in the last 12 months 0

A11. EVERYONE TO ANSWER

Does the scheme have a succession plan in place for the members of the pension board?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

A12. EVERYONE TO ANSWER

Has the scheme manager delegated the responsibility for making the day-to-day decisions needed to run the scheme to another person?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

SECTION B – MANAGING RISKS

The next set of questions is about managing risks.

B1. EVERYONE TO ANSWER

Does your scheme have its own documented procedures for assessing and managing risk?

Please select 'No' if your scheme relies on your local authority's documented procedures for assessing and managing risk.

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

B2. EVERYONE TO ANSWER

Does your scheme have its own risk register?

Please select 'No' if your scheme relies on your local authority's risk register.

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

B3. EVERYONE TO ANSWER

In the last 12 months, how many pension board meetings reviewed the scheme's exposure to new and existing risks?

Please write in the number below

2

B4. EVERYONE TO ANSWER

To what do the top three governance and administration risks on your register relate? If you do not have a risk register, please tell us to what the top three governance and administration risks facing your scheme relate.

Please select up to three options below

- 1. Funding or investment
- 2. Record-keeping (i.e. the receipt and management of correct data)
- 3. Guaranteed Minimum Pension (GMP) reconciliation
- 4. Securing compliance with changes in scheme regulations
- 5. Production of annual benefit statements
- 6. Receiving contributions from the employer(s)
- 7. Lack of resources/time
- 8. Recruitment and retention of staff or knowledge
- 9. Lack of knowledge, effectiveness or leadership among key personnel
- 10. Poor communications between key personnel (board, scheme manager, administrator, etc.)
- 11. Failure of internal controls
- 12. Systems failures (IT, payroll, administration systems, etc.)
- 13. Cyber risk (i.e. the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its IT systems and processes)
- 14. Administrator issues (expense, performance, etc.)
- 15. Other (please specify):
- 16. Don't know

SECTION C – ADMINISTRATION AND RECORD-KEEPING PROCESSES

The next set of questions is about administration and record-keeping.

C1. EVERYONE TO ANSWER

Does the scheme have an administration strategy?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

C2. EVERYONE TO ANSWER

Which of the following best describes the scheme's administration services?

Please select one answer only

1. Delivered in house
2. Undertaken by another public body (e.g. a county council) under a shared service agreement or outsource contract
3. Outsourced to a commercial third party
4. Other
5. Don't know

C3. EVERYONE TO ANSWER

Which of the following do you use to measure the performance of your administrators (whether in-house or outsourced)?

Please select all the options that apply

1. Performance against a service level agreement or service schedule
2. Member satisfaction ratings
3. 'Right first time' statistics
4. Testing the accuracy of calculations
5. Analysis of errors
6. Complaints volumes and trends
7. Volumes of rework required
8. Assessing project delivery against initially agreed time and cost
9. Benchmarking against the market
10. Auditing administration functions and systems
11. None of these
12. Don't know

C4. EVERYONE TO ANSWER

To what extent are the following processes automated?

A process is automated if it is completed through the use of technology, for example through a software platform, with minimal human intervention.

Please select one answer per row

	Fully automated	Mainly automated with some manual intervention	Mainly done manually	All done manually	Don't know
a) Verification and input of employer data	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Reconciliation of contributions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Reporting – data quality	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Reporting – complaints and issues	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Benefit value calculations	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Transfer value calculations	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Production of benefit statements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Monitoring workload and resourcing	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

C5. EVERYONE TO ANSWER

What, if any, barriers do you face to automating more of the scheme's processes?

Please select all the options that apply

1. Lack of suitable technology
2. Difficulty in integrating it with the scheme's existing systems
3. The initial set-up costs involved
4. Securing the necessary internal approval
5. Internal resistance to (further) automation
6. Lack of knowledge/expertise about how to implement this
7. Poor quality of the data
8. **Other (please specify): Time constraints and resource issues**
9. No barriers to automating more of the scheme's processes
10. Don't know

C6. EVERYONE TO ANSWER

In the last 12 months, how many pension board meetings had administration as a dedicated item on the agenda?

Please write in the number below

2

C7. EVERYONE TO ANSWER

Do you have processes in place to monitor scheme records for all membership types on an ongoing basis to ensure they are accurate and complete?

Please select one answer only

1. **Yes**
2. No
3. Don't know

C8. EVERYONE TO ANSWER

Does the scheme have an agreed process in place with the employer(s) to receive, check and review data?

Please select one answer only

1. **Yes**
2. No
3. Don't know

C9. EVERYONE TO ANSWER

Is your scheme single employer or multi-employer?

Please select one answer only

1. **Single employer scheme (i.e. used by just one employer)**
2. Multi-employer scheme (i.e. used by several different employers)

C10. ANSWER IF SINGLE EMPLOYER SCHEME (C9=1)

Does your participating employer...

Please select one answer per row

	Yes	No	Don't know
a) Always provide you with timely data?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Always provide accurate and complete data?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Submit data to you monthly?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Submit data to you electronically?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

C11. ANSWER IF MULTI-EMPLOYER SCHEME (C9=2)

~~What proportion of your scheme's employers...~~

~~Please write in the percentage (from 0% to 100%) for each of a-d below. If you do not know exactly, please give an approximate percentage.~~

~~a) Always provide you with timely data? %~~

~~b) Always provide accurate and complete data? %~~

~~c) Submit data to you monthly? %~~

~~d) Submit data to you electronically? %~~

C12. EVERYONE TO ANSWER

Does the scheme have a process in place for monitoring the payment of contributions?

Please select one answer only

1. Yes
2. No
3. Don't know

C13. EVERYONE TO ANSWER

Does the scheme have a process in place for resolving contribution payment issues?

Please select one answer only

1. Yes
2. No
3. Don't know

SECTION D – CYBER SECURITY

The next set of questions is about your scheme's cyber security.

D1. EVERYONE TO ANSWER

Which, if any, of the following controls does your scheme have in place to protect your data and assets from 'cyber risk'?

By 'cyber risk' we mean the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its information technology systems and processes.

Please select all the options that apply

1. Roles and responsibilities in respect of cyber resilience are clearly defined and documented
2. Cyber risk is on the risk register and regularly reviewed
3. Assessment of the vulnerability to a cyber incident of the key functions, systems, assets and parties involved in the running of the scheme
4. Assessment of the likelihood of different types of breaches occurring in the scheme
5. Access to specialist skills and expertise to understand and manage the risk
6. System controls (e.g. firewalls, anti-virus and anti-malware products and regular updates of software)
7. Controls restricting access to systems and data
8. Critical systems and data are regularly backed up
9. Policies on the acceptable use of devices, passwords and other authentication, and on home and mobile working
10. Policies on data access, protection, use and transmission which are in line with data protection legislation and guidance
11. An incident response plan to deal with any incidents which occur
12. The scheme manager has assured themselves of third party providers' controls (including administrators)
13. The scheme manager receives regular updates on cyber risks, incidents and controls
14. The pension board receives regular updates on cyber risks, incidents and controls
15. None of these
16. Don't know

D2. EVERYONE TO ANSWER

Have any of the following happened to your scheme, including at your administration provider, in the last 12 months?

Please select all the options that apply

1. Computers becoming infected with ransomware
2. Computers becoming infected with other viruses, spyware or malware
3. Attacks that try to take down your website or online services
4. Hacking or attempted hacking of online bank accounts
5. People impersonating your scheme in emails or online
6. Staff receiving fraudulent emails or being directed to fraudulent websites
7. Unauthorised use of computers, networks or servers by staff, even if accidental
8. Unauthorised use or hacking of computers, networks or servers by people outside your scheme
9. Any other types of cyber security breaches or attacks
10. None of these
11. Don't know

D3. ANSWER IF EXPERIENCED ANY CYBER SECURITY BREACHES IN THE LAST 12 MONTHS (D2=1-9)

Thinking of all the cyber security breaches or attacks experienced by your scheme in the last 12 months (including at your administration provider), which, if any, of the following happened as a result?

Please select all the options that apply

1. Software or systems were corrupted or damaged
2. Personal data (e.g. on members, beneficiaries or staff) was altered, destroyed or taken
3. Permanent loss of files (other than personal data)
4. Temporary loss of access to files or networks
5. Lost or stolen assets, trade secrets or intellectual property
6. Money was stolen
7. Your website or online services were taken down or made slower
8. Lost access to any third-party services you rely on
9. **None of these**
10. Don't know

SECTION E – DATA REVIEW

The next set of questions is about your scheme's approach to reviewing and improving its data.

E1. EVERYONE TO ANSWER

When did your scheme last complete a data review exercise?

Please select one answer only

1. **Within the last 12 months**
2. More than 12 months ago
3. Never completed one
4. Don't know

E2. ANSWER IF SCHEME HAS EVER COMPLETED A DATA REVIEW EXERCISE (E1=1 OR 2)

Did your scheme's most recently completed data review exercise identify any issues or problems with the following?

Please select one answer per row

	Yes	No	Don't know
a) National insurance number	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
b) Date of birth	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
c) First name	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d) Surname	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
e) Gender	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
f) First line of address	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
g) Postcode	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
h) Membership start date	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
i) Membership end date (if applicable)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
j) Expected retirement age	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
k) Anticipated income at retirement (based on expected retirement age)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
l) Other data item(s)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

E3. ANSWER IF REVIEW IDENTIFIED ISSUES WITH ANY OF THE SPECIFIC DATA ITEMS (YES AT ANY OF E2a-k)

Focussing just on the specific data items that you identified issues or problems with in your most recently completed data review, approximately what percentage of the scheme memberships were affected by each one?

Please select one answer per row

% of memberships affected

(just for those selected at E2)

	<1%	1-9%	10-19%	20-29%	30%+	Don't know
a) National insurance number	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Date of birth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) First name	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Surname	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Gender	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) First line of address	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Postcode	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Membership start date	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i) Membership end date (if applicable)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
j) Expected retirement age	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
k) Anticipated income at retirement (based on expected retirement age)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

E4. ANSWER IF DATA REVIEW IDENTIFIED ISSUES WITH ANY DATA ITEMS (YES AT ANY OF E2a-l)

Has any action been taken to address the issues or problems identified with the data?

Please choose one answer that most closely describes the action your scheme has taken to date

1. ~~An improvement plan is in development~~
2. ~~An improvement plan is in place but rectification work is not yet complete~~
3. ~~An improvement plan has been put in place and rectification work has been completed~~
4. ~~Rectification work has been undertaken without an improvement plan~~
5. ~~No improvement plan has been developed and no work has been undertaken~~
6. ~~Don't know~~

SECTION F – ANNUAL BENEFIT STATEMENTS

The next set of questions is about members' annual benefit statements.

F1. EVERYONE TO ANSWER

In 2019, what proportion of active members received their annual benefit statements by the statutory deadline?

Please write in the percentage below. If you do not know exactly, please give an approximate percentage.

91.53%

F2. ANSWER IF DEADLINE WAS MISSED FOR ANY MEMBERS (F1=0-99%)

Was the missed deadline for issuing active member statements reported to TPR?

Please select one answer only

1. Yes - and Breach of Law report made
2. Yes - but decided not to make a Breach of Law report
3. No - not reported
4. Don't know

F3. ANSWER IF MISSED DEADLINE WAS NOT REPORTED TO TPR (F2=3)

What was the main reason for not reporting the breach?

Please select one answer only

1. Not material - few statements affected
2. Not material - very short delay
3. Other reason (please specify):
4. Don't know

F4. EVERYONE TO ANSWER

What proportion of all the annual benefit statements the scheme sent out in 2019 contained all the data required by regulations?

Please write in the percentage below. If you do not know exactly, please give an approximate percentage.

100%

SECTION G – RESOLVING ISSUES

The next set of questions is about resolving issues or complaints the scheme has received.

G1. EVERYONE TO ANSWER

Does the scheme have a working definition of what constitutes a complaint?

Please select one answer only

1. Yes
2. No
3. Don't know

G2. EVERYONE TO ANSWER

Focusing on the complaints you have received in the last 12 months from members or beneficiaries in relation to their benefits and/or the running of the scheme, please tell us the following information.

Please write in the number for each of a), b) and c) below. The number at b) should be equal to or lower than the number at a). The number at c) should be equal to or lower than the number at b).

- | | |
|---|---|
| a) Total number of complaints received | 1 |
| b) Number of these complaints that have entered the Internal Dispute Resolution (IDR) process | 1 |
| c) Number of these complaints that were upheld by the IDR process | 0 |

G3. ANSWER IF ANY COMPLAINTS ENTERED THE IDR PROCESS IN THE LAST 12 MONTHS (G2b>0)

To what did the top three types of complaint going through the IDR process relate?

Please select up to three options below

1. Slow or ineffective communication
2. Inaccuracies or disputes around pension value or definitions
3. Delays to benefit payments
4. Disputes or queries about the amount of benefit paid
5. Delay or refusal of pension transfer
6. Inaccurate data held and/or statement issued
7. Pension overpayment and recovery
8. Eligibility for ill health benefit
9. Other (please specify):
10. Don't know

SECTION H – REPORTING BREACHES

The next set of questions is about the scheme's approach to dealing with any breaches of the law.

H1. EVERYONE TO ANSWER

Does the scheme have procedures in place to allow the scheme manager, pension board members and others to identify breaches of the law?

Please select one answer only

1. Yes
2. No
3. Don't know

H2. EVERYONE TO ANSWER

In the last 12 months, have you identified any breaches of the law that are not related to annual benefit statements?

Please select one answer only

1. Yes
2. No
3. Don't know

~~H3. ANSWER IF ANY BREACHES OF THE LAW NOT RELATED TO ANNUAL BENEFIT STATEMENTS HAVE BEEN IDENTIFIED IN THE LAST 12 MONTHS (H2=1)~~

~~What were the root causes of the breaches identified?~~

~~Please select all the options that apply~~

- ~~1. Systems or process failure~~
- ~~2. Failure to maintain records or rectify errors~~
- ~~3. Management of transactions (e.g. errors or delays in payments of benefits)~~
- ~~4. Failure of the employer(s) to provide timely, accurate or complete data~~
- ~~5. Late or non-payment of contributions by the employer(s)~~
- ~~6. Other employer related issues (please specify):~~
- ~~7. Something else (please specify):~~
- ~~8. Don't know~~

H4. EVERYONE TO ANSWER

Are there procedures in place to assess breaches of the law, and report these to TPR if required?

Please select one answer only

1. Yes
2. No
3. Don't know

~~H5. ANSWER IF ANY BREACHES OF THE LAW NOT RELATED TO ANNUAL BENEFIT STATEMENTS HAVE BEEN IDENTIFIED IN THE LAST 12 MONTHS (H2=1)~~

~~In the last 12 months, have you reported any breaches to TPR as you thought they were materially significant? Please do not include any breaches that related to annual benefit statements.~~

~~Please select one answer only~~

- ~~1. Yes~~
- ~~2. No~~
- ~~3. Don't know~~

SECTION I – GOVERNANCE AND ADMINISTRATION

The next set of questions is about your progress in addressing governance and administration issues.

I1. EVERYONE TO ANSWER

What do you believe are the top three factors behind any improvements made to the scheme's governance and administration in the last 12 months?

Please select up to three options below

1. Improved understanding of underlying legislation and standards expected by TPR
2. Improved engagement by TPR
3. Improved understanding of the risks facing the scheme
4. Resources increased or redeployed to address risks
5. Administrator action (please specify): Training of staff, increasing knowledge and resilience
6. Scheme manager action (please specify):
7. Pension board action (please specify): Stability of board membership
8. Other (please specify):
9. No improvements made to governance/administration in the last 12 months
10. Don't know

I2. EVERYONE TO ANSWER

What are the main three barriers to improving the governance and administration of your scheme over the next 12 months?

Please select up to three options below

1. Lack of resources or time
2. Complexity of the scheme
3. The volume of changes that are required to comply with legislation
4. Recruitment, training and retention of staff and knowledge
5. Lack of knowledge, effectiveness or leadership among key personnel
6. Poor communications between key personnel (board, scheme manager, administrator, etc.)
7. Employer compliance
8. Issues with systems (IT, payroll, administration systems, etc.)
9. The McCloud judgement
10. Other (please specify):
11. There are no barriers
12. Don't know

SECTION J – PERCEPTIONS OF TPR

The final set of questions is about your views of TPR.

J1. EVERYONE TO ANSWER

Thinking about your overall perception of TPR, to what extent do you agree or disagree with the following words as ways to describe TPR?

Please select one answer per row

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
a) Tough	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Efficient	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Visible	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Fair	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Respected	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Evidence-based	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Decisive	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Clear	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i) Approachable	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

J2. EVERYONE TO ANSWER

Thinking now about how TPR operates, how effective do you think it is at improving standards in scheme governance and administration in public service pension schemes?

Please select one answer only

1. Very effective
- ☒ 2. Fairly effective
3. Neither effective nor ineffective
4. Not very effective
5. Not at all effective
6. Don't know

J3. EVERYONE TO ANSWER

To what extent do you agree or disagree with the following statements?

Please select one answer per row

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
a) TPR is effective at bringing about the right changes in behaviour among its regulated audiences	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) TPR is proactive at reducing serious risks to member benefits	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION K – ATTRIBUTION

Thank you for completing this survey. Your responses will help TPR understand how schemes are progressing and any issues they may face, which will inform further policy and product developments. Before you submit your answers, there are just a few more questions about your survey responses.

K1. EVERYONE TO ANSWER

Which of the following best describes your role within the pension scheme?

Please select one answer only

1. Scheme manager*
2. Representative of the scheme manager
3. Pension board chair
4. Pension board member
5. Administrator
6. Other (please specify):

**In this survey 'scheme manager' refers to the definition within the Public Service Pensions Act, e.g. the Local Authority, Fire and Rescue Authority, Police Pensions Authority, Secretary of State/Minister or Ministerial department.*

K2. EVERYONE TO ANSWER

What other parties did you consult with to complete this survey?

Please select all the options that apply

1. Scheme manager
2. Representative of the scheme manager
3. Pension board chair
4. Pension board member
5. Administrator
6. Other
7. Did not consult with any other parties

K3. EVERYONE TO ANSWER

To inform TPR's engagement going forward, they would like to build an individual profile of your scheme by linking your scheme name to your survey answers. This will only be used for internal purposes by TPR and your scheme name would not be revealed in any published report.

Are you happy for your responses to be linked to your scheme name and supplied to TPR for this purpose?

Please select one answer only

1. Yes, I am happy for my responses to be linked to my scheme name and supplied to TPR for this purpose
2. No, I would like my responses to remain anonymous

K4. EVERYONE TO ANSWER

And would you be happy for the responses you have given to be linked to your scheme name and shared with the relevant scheme advisory board? This is to help inform the advisory boards of areas for improvement and to further their engagement with pension boards.

Please select one answer only

1. Yes, I am happy for my responses to be linked to my scheme name and shared with the relevant advisory board
2. No, I would like my responses to remain anonymous

K5. EVERYONE TO ANSWER

TPR may conduct some follow up research on this topic to improve their advice and engagement with schemes such as yours. Would you be willing for us to pass on your name, contact details and relevant survey responses to them so that they, or a different research agency on their behalf, could invite you to take part?

You may not be contacted and, if you are, there is no obligation to take part. Your contact details will be stored for a maximum duration of 12 months, before being securely destroyed.

Please select one answer only

1. Yes, I am happy to be contacted for follow-up research
2. No, I would prefer not to be contacted for follow-up research

K6. EVERYONE TO ANSWER

Please record your name below. This is just for quality control purposes and will not be passed on to TPR (unless you have agreed that they can contact you for follow-up research).

Please write in below

Sarah Keyes

K7. EVERYONE TO ANSWER

Finally, please use the space below if you have any other comments or would like to clarify/explain any of the answers you have given.

Please write in below if applicable

E1 – E4 - Data is regularly reviewed as part of pension processing arrangements, and a data improvement plan is in place to ensure that any issues or problems are rectified.

G2 - The complaint made under the IDRP is in the investigative stages at the time of completion of this survey.

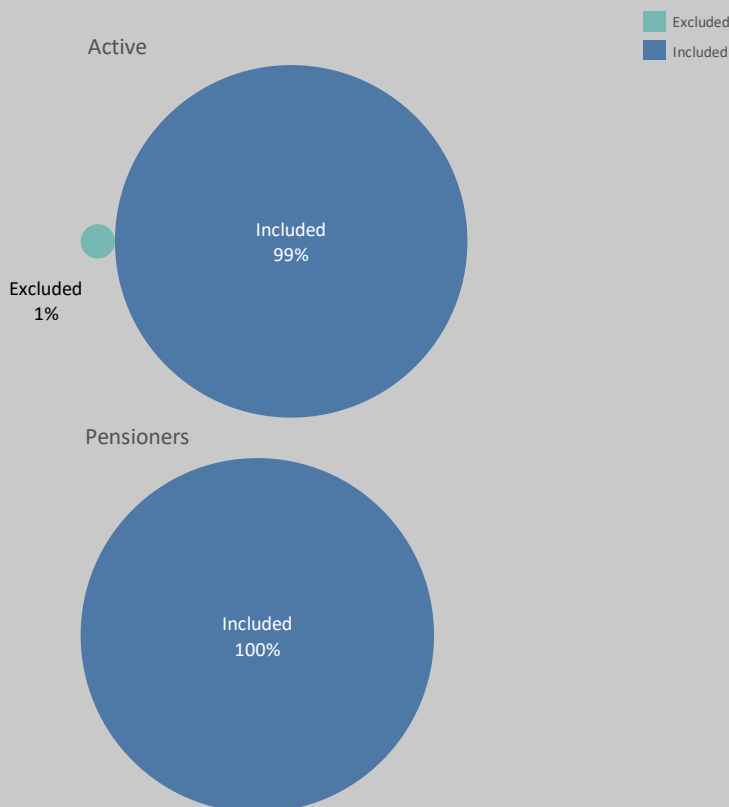
2016 valuation data - High level summary of data issues – Humberside

Introduction

Following completion of the Firefighters' Pension Schemes (England) actuarial valuation as at 31 March 2016 we have been commissioned by the Home Office to summarise issues that were identified in the data submitted for the valuation for each Fire and Rescue Authority (FRA). This note sets out the key areas where data was excluded from the 2016 valuation for Humberside. The purpose of the note is to inform where improvements to the member data held/provided for valuations could be focussed to enable more data to be included for the 2020 valuation.

Chart 1: Proportion of Humberside members excluded from liability calculations by membership

Chart 1 shows the proportion of active/pensioner membership records used for the liability calculations. Data for deferred members had very few issues and make up a small proportion of the member population, so have not been included in this note.



Background

As part of the 2016 valuations, individual member data was provided by each of the FRAs. The member data underwent standard checks to confirm validity and reliability.

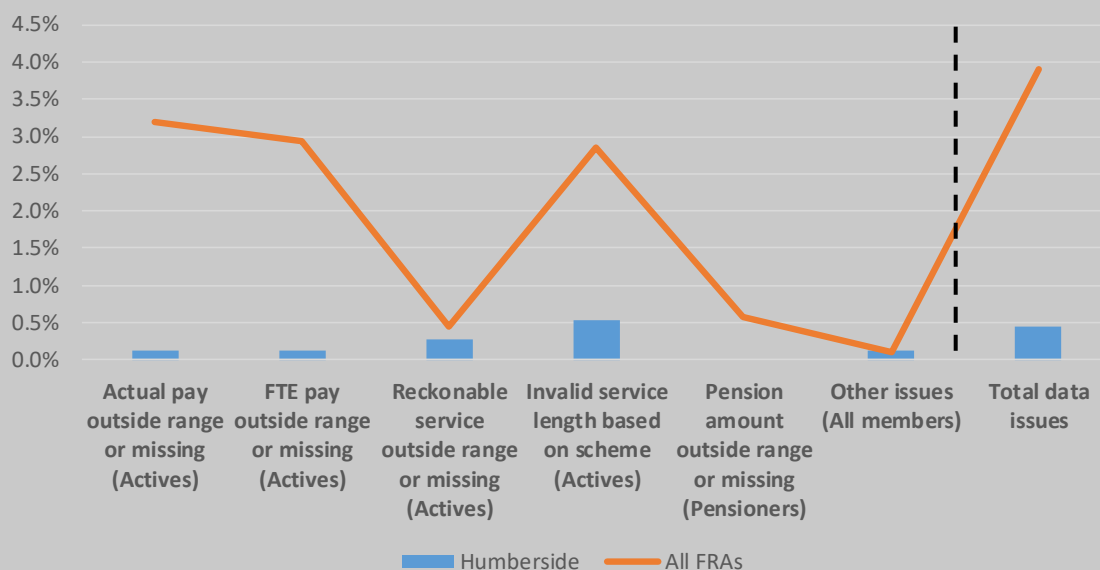
For the liability calculations, member records that failed checks were excluded and replaced by data for average members of the same category to which the excluded member was originally assigned. For the experience analyses, FRAs were excluded where we were unable to reconcile the data between 2012 and 2016. Assumptions were set using data from a subset of all of the data received.

Limitations

This note is intended solely for the use of the Humberside Fire and Rescue Authority and Home Office. It briefly summarises some suggested data improvements to enable more of the scheme's data to be included in the 2020 valuation process. Very detailed checks are not required for valuation purposes, further investigation may identify additional areas that would benefit from improvement for other purposes (e.g. the correct payment of benefits). The information and advice in this note should not be relied upon, or assumed to be appropriate, for any other purpose or by any other person. GAD does not accept any liability to third parties, whether or not GAD has agreed to the disclosure of its advice to the third party. This work has been carried out in accordance with the applicable Technical Actuarial Standard: TAS 100 issued by the Financial Reporting Council (FRC). The FRC sets technical standards for actuarial work in the UK.

Chart 2: Proportion of members excluded from Humberside compared to all FRAs combined

Chart 2 shows the main areas in which data failed our standard checks for the liability calculations with the proportion of excluded active/pensioner membership records falling into each area.



For active members, the main issues related to pay or service data. For pensioner members it was missing pension amounts or figures that were outside of the range that we set as reasonable. In order to reduce the number of excluded records in the 2020 valuation we recommend that you focus on improving the data collected and provided in these areas.

Next Steps

To improve the data stored and provided for liability calculations, it may be helpful to revisit the pay/service entries (in the tab “Data – Active – Checks”) and pension amount entries (in the tab “Data – Pensioners – Checks”) in the data collection spreadsheet that you submitted to us for the 2016 valuation. In many cases, cells that contain data that failed our checks will be highlighted. You may be able to make system improvements to prevent entries from being blank or investigate and update those which fall outside of range.

Table 1: Analysis of member experience data between 1 April 2012 and 31 March 2016

To assist us with deriving the demographic assumptions we analysed the movements of the members over the inter-valuation period. The table below summarises the analyses for which the data for Humberside was used.

	Included	Excluded
Pensioner mortality analysis	✓	
Dependant mortality analysis	✓	
Active age retirement analysis		✓
Active other in-service analyses	✓	

Next Steps

In order to use your movement data we must be able to reconcile your data from the start to the end of the valuation period and require pension at death for pensioners/dependants. The active, pensioner and dependants movements summary tables in the “Control” tab of the data collection spreadsheet give an indication of how well the data reconciles. When submitting data, please provide supporting comments if there is a genuine reason that your data does not reconcile (e.g. data improvement exercise carried out) so that we can include as much data in the experience analyses as possible.