

**Due to the current heightened security level at all our premises, Members are reminded to wear their identity badges whilst attending meetings. Any visitors must produce photographic identification at Reception.**

## **LOCAL PENSION BOARD COMMITTEE SUMMONS**

### **SOUTH WALES FIRE & RESCUE AUTHORITY**

You are required to attend a meeting of the Local Pension Board Committee to be held at **South Wales Fire & Rescue Service Headquarters, Forest View Business Park, Llantrisant, CF72 8LX** on **Monday, 16 October 2017 in Room 8 at 1030 hours.**

#### **A G E N D A**

1. Apologies for Absence
2. Declarations of Interest

Members of the Fire & Rescue Authority are reminded of their personal responsibility to declare both orally and in writing any personal and/or prejudicial interest in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct.

3. Chairman's Announcements
4. To Receive the Minutes of:-
  - Local Pension Board Committee Meeting held on 3 July 2017 3
5. Firefighters' Pension Scheme – Membership Data 7
6. Managing Risks & Internal Controls 11
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## SOUTH WALES FIRE & RESCUE AUTHORITY

### MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON MONDAY, 3 JULY 2017 AT SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

#### 22. PRESENT

<b>Councillor</b>	<b>Left</b>	
S Bradwick (Chair)		Rhondda Cynon Taf
D Ali		Cardiff
H Joyce		Cardiff
M Phillips		Cardiff
G Stacey		Rhondda Cynon Taf
V Smith		Monmouthshire
D King		Retained Firefighters' Union
R Prendergast		Prospect
A Psaila (arrived at 1055 hrs)		Fire Brigades Union

**OFFICERS PRESENT:** ACO P Haynes – Director of People Services; DCO S Chapman – Monitoring Officer; Mr C Barton – Treasurer; Mr C Powell – Deputy Monitoring Officer; Mr M Malson – Head of Human Resources.

#### 23. DECLARATIONS OF INTEREST

Each Member declared a personal non-prejudicial interest in each agenda item which affected their Authority.

#### 24. CHAIR'S ANNOUNCEMENTS

- The Chair nominated Cllr V Smith to take the role of Deputy Chair of the Local Pensions Board. All Members present concurred, and Cllr Smith was duly elected Deputy Chair of the Local Pensions Board.
- **Firefighters' Modified 2006 Scheme**

The Chair informed Members that under the Firefighters' Modified 2006 Scheme, the HMRC requested Fire & Rescue Authorities to confirm whether pension arrears were subject to PAYE, and requested a response on the following by 31 July 2017:

- Potential PAYE errors on the payment of pension arrears;
- Tax relief on the pension contributions paid in order to count historical service.

The Chair confirmed that Officers are progressing the request.

- **Temporary promotion and pensionable pay**

The Chair advised Members that the various firefighters' pension schemes identify the constituent parts of pensionable pay in different ways. Through the Service's trade union consultation mechanism, acknowledgement has been received which recognises that the 1992 Scheme members who are temporarily promoted will have that arrangement as pensionable; while the 2015 Scheme members will not. There is no discretion in the 2015 Scheme to enable temporary promotion to become pensionable.

- **Annual Pension Statements – Year ending March 2017**

The Chair informed Members that last year, due to the introduction of a new payroll system partly way through the year, firefighters' annual benefit statement production experienced difficulties, and the pension administrator had to report a delay to the Pensions' Regulator. The Pensions' Regulator decided not to take action over the breach.

This year, the Service has provided its pension administrator with a complete data set to allow it to facilitate the printing and distribution of annual benefit statements before the end of August deadline.

## **25. MINUTES OF PREVIOUS MEETING**

The minutes of the Local Pension Board meeting held on 3 July 2017 were received and accepted as a true record of proceedings.

The Chair noted for the purpose of the new Board Members that the last meeting of the Local Pension Board scheduled for 30 March 2017 was not quorate and did not therefore take place.

## **26. LOCAL PENSION BOARD – TERMS OF REFERENCE AND DELEGATED AUTHORITIES**

The Director of People Services provided Members with an overview of the Board's Terms of Reference and Delegated Authorities, which will assist in the provision of scrutiny on all aspects of the Authority's constituent pension schemes.

Following a question and answer session, the Director of People Services confirmed that Members will be in receipt of training, advice and on-going support to assist in fulfilling the obligations of the Board.

The Director of People Services also advised Members of the legal requirement to provide an equal balance of Trades Unions and Employers' side representation, which made it unnecessary for all Members to attend

each meeting. Attendance at meetings will be determined in advance of each meeting by prior liaison with Members.

## **RESOLVED THAT**

Members agreed to note the content of the Local Pension Board's Terms of Reference and Delegated Authorities.

### **27. FIREFIGHTERS' PENSION SCHEMES – SOUTH WALES FIRE & RESCUE AUTHORITY**

The Director of People Services informed Members that the Public Service Pension Act 2013 (PSPA 2013) set out the arrangements for the creation of schemes for the payment of pensions and other benefits. The PSPA 2013 gives power to the Pensions' Regulator to operate a system of independent oversight of the operation of these schemes.

Under the terms of the PSPA 2013, the Fire & Rescue Authority is the recognised Scheme Manager and as such needs to identify through which mechanism it intends to fulfil its role and obligations.

This report provides an update on the matters relating to the Fire & Rescue Authority's management of the Firefighters' Pension Scheme 1992 (FPS 1992); the Firefighters' Pension Scheme (Wales) 2007 (FPS 2007); and the new Firefighters' Pension Scheme (Wales) 2015 (FPS 2015).

## **RESOLVED THAT**

Members agreed to accept the information contained in the report and agreed to consider monitoring reports on an annual basis.

### **28. FIREFIGHTERS' PENSION SCHEME 1992**

The Director of People Services presented a report which identified the background to the Firefighters' Pension Scheme 1992 and sets out the key features and significant points for the information of the Local Pension Board Members.

A question and answer session ensued regarding firefighter fitness levels, and Members were advised of the support available in maintaining these levels through the Service's Occupational Health Unit.

## **RESOLVED THAT**

28.1 Members agreed to note the key features of the Firefighters' Pension Scheme 1992.

28.2 Members acknowledged the Board's responsibility in relation to the governance and scrutiny for the Fire & Rescue Authority's management of the Firefighters' Pension Scheme 1992.

## **29. FIREFIGHTERS' PENSION SCHEME 2007**

The Director of People Services presented a report which identified the background to the Firefighters' Pension Scheme 2007, as it is commonly called, and sets out the key features and significant points for the information of the Local Pension Board Members.

### **RESOLVED THAT**

29.1 Members agreed to note the key features of the New Firefighters' Pension Scheme 2007, as appended to the report.

29.2 Members acknowledged the Board's responsibility in relation to the governance and scrutiny for the Fire & Rescue Authority's management of the Firefighters' Pension Scheme 2007.

## **30. FIREFIGHTERS' PENSION SCHEME (WALES) 2015**

The Director of People Services presented a report which identified the background to the Firefighters' Pension Scheme (Wales) 2015, as it is commonly called, and sets out the key features and significant points for the information of Local Board Members.

### **RESOLVED THAT**

30.1 Members agreed to note the key features of the Firefighters' Pension Scheme (Wales) 2015, as appended to the report.

30.2 Members acknowledged the Board's responsibility in relation to the governance and scrutiny for the Fire & Rescue Authority's management of the newest Firefighters' Pension Scheme (Wales) 2015.

## **31. FORWARD WORK PROGRAMME 2017/18**

The Director of People Services presented the Forward Work Programme for municipal year 2017/18. Members were informed of their entitlement to request matters to be included in the Forward Work Programme for future attention by the Local Pension Board.

### **RESOLVED THAT**

Members accepted the Forward Work Programme for 2017/18

**SOUTH WALES FIRE & RESCUE AUTHORITY  
LOCAL PENSION BOARD COMMITTEE  
REPORT OF THE ASSISTANT CHIEF OFFICER PEOPLE SERVICES**

AGENDA ITEM NO 5  
16 OCTOBER 2017

**FIREFIGHTERS' PENSION SCHEMES – MEMBERSHIP DATA**

**SUMMARY**

South Wales Fire & Rescue Authority, as the duly appointed Firefighters' Pension Scheme Manager, is responsible for compiling and maintaining membership data for each of the Firefighters' Pension Schemes in accordance with that scheme's regulations.

To comply with these provisions, and to inform Local Pension Board Members, this report sets out the outline data for service officers in each scheme.

**RECOMMENDATION**

1. That Local Pension Board Members note the composition profile for the Firefighters' Pension Schemes active members.
2. The Local Pension Board continues to receive regular updates on the composition profile for the Firefighters Pension Schemes

**1. BACKGROUND**

- 1.1 The Local Pension Board is responsible for the governance of the Fire & Rescue Authority's management of the Firefighters' Pension Scheme 1992 (FPS 1992), the Firefighters' Pension Scheme (Wales) 2007 (FPS 2007), and the new Firefighters' Pension Scheme (Wales) 2015 (FPS 2015).
- 1.2 The role of the Local Pension Board is to scrutinise Firefighters Pension Schemes, the associated data, and report any matters of concern to the Fire & Rescue Authority.

**2. ISSUES**

- 2.1 Local Pension Board Members have been appraised of the financial factors derived from the revenue budget costs, which at that time were:-

	<b>Original budget 2017/2018</b>	<b>Revised budget 2017/2018</b>
Employee costs (salaries NI & superannuation)	35,096,627	35,096,626
Ill Health Pensions funded from revenue	599,759	608,270
Ill Health Charges (lump sums) funded	348,164	283,023
Pensions	-	5,316,173

2.2 The number of contributing Officers/scheme members fluctuates as people retire, transfers into the Fire & Rescue Service occurs and new appointments are made. As at this time in 2017, the numbers within each of the schemes are as follows:-

	<b>2017/18</b>
Total number of members in the 1992 FPS (at year start)	<b>262</b>
Total number of members of the 2007 NFPS (at year start)	<b>28</b>
(a) Number of Retained members in the 2007 NFPS (at year start)	<b>20</b>
(b) Number of Wholetime members in the 2007 NFPS (at year start)	<b>8</b>
Number of members in the RDS Modified Scheme (at year start)	<b>31</b>
Total number of members of the 2015 FPSW (at year start)	<b>874</b>
(a) Number of Retained members in the 2015 FPSW (at year start)	<b>351</b>
(b) Number of Wholetime members in the 2015 FPSW (at year start)	<b>523</b>
Number of members transferring into the FPS, NFPS, RDS Modified Scheme and FPSW from other external pension scheme	<b>0</b>
Number of members transferring out of the FPS, NFPS, RDS Modified Scheme and FPSW to other external pension schemes	<b>0</b>
Number of normal retirements	<b>7</b>
Number of ill health retirements	<b>2</b>
(a) Number of lower tier retirements	<b>2</b>
(b) Number of upper tier retirements	<b>0</b>
Total number of pensioners	<b>1103</b>

2.3 A notable feature of the data set above identifies that:-

- 168 Wholetime Firefighters currently employed who are aged 50 and above (down from 228)
- 64 Retained Duty Firefighters currently employed who are aged 50 and above (down from 84)

2.4 The data appears to indicate that there are a significant number of individuals who will become eligible to retire and receive a pension and lump sum within the short term.

2.5 Members of the 1992 Scheme who have completed more than 25 years service, and who are aged 50 and above, can retire without the need for their employer's permission upon giving their contractual notice.

2.6 The Scheme Advisory Board for Wales has received reports which identify that the principle employee revenue contributors to the Firefighters Pension funding mechanism originates from the 1992



Scheme. It is this group which has predominantly completed more than 20 years service.

- 2.7 When the Scheme Advisory Board for Wales met at Newtown Fire Station on Friday, 3 February, the Board Members received the Government Actuary Department's draft review of existing GAD valuation data, and determined that at their September 2017 meeting they would consider the final data set in order to advise Ministers.
- 2.8 The Scheme Advisory Board for Wales acknowledged that the outcome could affect scheme membership numbers as from April 2018 the effective date), but accepted that it was not practical to identify the impact at this time.

### **3. EQUALITY RISK ASSESSMENT**

- 3.1 An Equality Risk Assessment has been undertaken to assess the potential impact relative to Firefighters Pension Schemes Membership Data.
- 3.2 There are no immediate issues arising from the actions identified.

### **4. RECOMMENDATION**

- 4.1 That Local Pension Board Members note the composition profile for the Firefighters Pension Schemes active members.
- 4.2 The Local Pension Board continues to receive regular updates on the composition profile for the Firefighters Pension Schemes.

<b>Contact Officer:</b>	<b>Background Papers:</b>
ACO Philip Haynes Director of People Services	None





- 2.2 To address the Pension Regulator's expectations, an initial Risk Assessment was prepared by the Assistant Chief Officer for People Services in relation to administration of the Firefighters Pension Scheme(s).
- 2.3 It is recognised that Codes of Practice are not statements of the law, and there is no penalty for failing to comply with them. It is not necessary for all the provisions of a Code of Practice to be followed in every circumstance. Any alternative approach to that appearing in the Code of Practice will nevertheless need to meet the underlying legal requirements, and a penalty might be imposed if these requirements are not met.
- 2.4 When determining whether the legal requirements have been met a court or tribunal must take any relevant provisions of a Code of Practice into account. The original Risk Assessment complied with the requirements of Code of Practice No. 14.
- 2.5 The Risk Assessment and business continuity arrangements should mitigate any significant disruption to service delivery.
- 2.6 A revised and updated Risk Assessment has been attached to the report at Appendix 1. Members should note the activity that has taken place so far and may wish to establish further reviews and test schedules which will support an ongoing programme for effective management of risk and ensure adequate control.
- 2.7 Members were informed that last year, due to the introduction of a new payroll system partly way through the year, Firefighters' Annual Benefit Statement production experienced difficulties, and the pension administrator had to report a delay to the Pensions' Regulator. The Pensions' Regulator decided not to take action over the breach.

This year the Service has provided its pension administrator with a complete data to allow it to facilitate the printing and distribution of Annual Benefit Statements before the end of August deadline

### **3. EQUALITY RISK ASSESSMENT**

- 3.1 An Equality Risk Assessment has been undertaken to assess the potential impact relative to the draft Risk Assessment.
- 3.2 There are no immediate issues arising from the actions identified.

#### 4. RECOMMENDATION

- 4.1 Local Pension Board Members consider, amend where appropriate, and agree the revised Risk Assessment Form at Appendix 1 attached to the report.
- 4.2 Local Pension Board Members establish further review and test schedules to evaluate the effectiveness of management of risk management process and ensure adequate controls are in place.

<b>Contact Officer:</b>	<b>Background Papers:</b>
ACO Philip Haynes Director of People Services	Appendix 1 – Revised Risk Assessment Form



**SOUTH WALES FIRE & RESCUE AUTHORITY  
LOCAL PENSION BOARD**

**RISK ASSESSMENT – Updated February 2017 (Pension Regulator’s template)**

Risk area 1 – Operations	Likelihood (1:least likely, 10: most likely)	Impact (1:least likely, 10: most likely)	Score (likelihood x impact)	Control	Owner	Test	Next review	Comment
Operational disaster (fire/flood etc.)	3	6	18	Business continuity procedures in place for administrator	Pension scheme administrator	ABS test September 2016	September 2017	Up-to-date business continuity and disaster recovery arrangements in place and provided by administrator
				Business continuity plans in place for scheme manager	Scheme manager	ABS test September 2016	September 2017	Up-to-date business continuity and disaster recovery arrangements in place
Members' data incomplete or inaccurate	3	5	15	Annual report from administrator, used as basis for rectification plan	Scheme manager	ABS test September 2016	September 2017	Annual rectification exercise undertaken in April each year
				Additional validation carried out by administrators	Pension scheme administrator	N/K	September 2017	Administrator to highlight irregularities to Scheme

				through national fraud initiative.				Manager
Administration process failure/ maladministration	2	8	16	Formal Service Level Agreement in place with the pension scheme administrator	Head of Human Resources	April 2016	April 2018	Service Level Agreement in place
				Defined levels of authority are clearly agreed and kept up-to-date	Scheme manager	April 2016	September 2017	Scheme of Delegation and Discretions determined
				Ongoing dialogue with pension scheme administrator	ACO – People Services, Pension Liaison Offer & Finance Officer	ABS review – September 2016	May / June 2017	Regular contact between pension scheme administrator officers and plus ad-hoc calls when necessary
Monitor Scheme (s) active membership data	3	6	18	Evaluate the composition of active membership data across the individual schemes to assess potential impact of retirement rates against recruitment activity	ACO – People Services, Pension Liaison Offer & Finance Officer	April 2016	September 2017	Regular contact between officers and evaluation



Risk area 2 – Financial	Likelihood (1:least likely, 10: most likely)	Impact (1:least likely, 10: most likely)	Score (likelihood x impact)	Control	Owner	Test	Next review	Comment
Officers acting outside of delegated responsibility	1	9	9	Regular reviews of policy and Constitution	Scheme manager	April 2016	September 2017	Scheme of delegation and discretions policies in place
				Appropriate approval measures in place	Scheme manager	April 2016	September 2017	Scheme of delegation and discretions policies in place

Risk area 3 – Funding	Likelihood (1:least likely, 10: most likely)	Impact (1:least likely, 10: most likely)	Score (likelihood x impact)	Control	Owner	Test	Next review	Comment
Employer fails to deduct pension contributions	1	10	10	Monthly monitoring of contribution payments by payroll manager and administrators	Scheme Manager Payroll Section	Monthly	Continuing	All contributions deducted as necessary

Risk area 4 – Regulatory and compliance	Likelihood (1:least likely, 10: most likely)	Impact (1:least likely, 10: most likely)	Score (likelihood x impact)	Control	Owner	Test	Next review	Comment
Failure to interpret rules or legislation correctly	2	7	14	Up-to-date and documented training log, showing completion of scheme specific and The Pensions Regulator's educational material	Scheme manager	October 2016	July 2017	All relevant persons have completed educational material
				Technical advice and updates	Scheme manager	Ongoing – via HR & E Committee	Ongoing work programme	Updates received from responsible authority, scheme advisory board and professional advisers; acted on
Conflicts of interest	2	5	10	Pension board awareness of legal responsibilities	Pension board chair	October 2016	July 2017	All pension board members have completed educational material
				All pension board members to declare any conflicts and potential conflicts	Scheme manager	April 2016	June 2017	Conflicts document signed by all pension board members, recorded in conflicts register. Reminder, and any changes or

								additional conflicts, will be minuted at each pension board meeting.
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## GLOSSARY

- Scheme Manager – Fire & Rescue Authority Members
- Pension scheme administrator – Rhondda Cynon Taff Pension Section
- Pension board chair - Fire & Rescue Authority appointed person

## **FIREFIGHTERS' PENSION SCHEME – INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)**

### **SUMMARY**

In January 2008, the Welsh Government issued Circular Number W-FRSC (09)01 advising Fire & Rescue Authorities that the Internal Dispute Resolution Procedure arrangements have been reviewed and changes had been introduced in order to meet the requirements of the Pensions Act 1995, as amended.

### **RECOMMENDATION**

Members note the Internal Dispute Resolution Procedure rules, the revised provisions, and the range of cases that have been processed to date.

## **1. BACKGROUND**

- 1.1 The Internal Dispute Resolution Procedures were initially reviewed in the light of changes made to Section 50 of the Pensions Act 1995 by Section 273 of the Pensions Act 2004, as amended by Section 16 of the Pensions Act 2007, and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 (SI 2008/649).
- 1.2 Welsh Government advice set out the conditions that had been agreed with the Firefighters' Pension Committee.
- 1.3 The advice set out the procedure for dealing with complaints under the Firefighters' Pensions Scheme 1992 (FPS), the New Firefighters' Pension Scheme 2007 (NFPS), and the Firefighters' Compensation Scheme 2007 (FCS) should be followed in all cases where there is a dispute other than appeals lodged under Rule H2 of the Firefighters Pension Scheme, Part 8, Rule 4 of the New Firefighters Pension Scheme or Part 6, Rule 2 of the Firefighters Compensation Scheme, which are exempted under the 2008 Regulations.
- 1.4 Also exempted are matters in respect of which proceedings have been commenced in any court or tribunal, or the Pensions Ombudsman had commenced an investigation in respect of it as a result of a complaint made or a dispute referred to him/her.
- 1.5 The circular identified that the Internal Dispute Resolution Procedure are available to the following:-

- (a) A member (active, deferred, or pensioner) of the Firefighters Pension Scheme or New Firefighters Pension Scheme.
  - (b) A widow, widower or surviving dependent of a deceased member of the Firefighters Pension Scheme or New Firefighters Pension Scheme.
  - (c) A surviving non-dependant beneficiary of a deceased member of the Firefighters Pension Scheme or New Firefighters Pension Scheme.
  - (d) A prospective member of the scheme.
  - (e) Persons who have ceased to be within any of the categories of persons referred to in paragraphs (a) to (d) or
  - (f) Persons who claim to be such a person as is mentioned in paragraphs (a) to (e) and the dispute relates to whether he/she is such a person.
- 1.6 The procedures apply also to disputes relating to the Firefighters' Compensation Scheme 2007, and the newly introduced Firefighters' Pension Scheme (Wales) 2015.
- 1.7 An application under the Internal Dispute Resolution Procedure may be made or continued on behalf of a person who is a party to the dispute:
- (a) Where the person dies, by his/her personal representative.
  - (b) Where the person is a minor or is otherwise incapable of acting for him/herself, by a member of his/her family or some other person suitable to represent him/her, and
  - (c) In any other case, by a representative nominated by him/her.
- 1.8 The Independent Dispute Resolution Procedure provides recourse for a person mentioned above who a complaint relating to that person, other than matters covered by the medical appeal arrangements. The amended arrangements allow for a single stage, although pension schemes have a discretion to make provision for two stages.
- 1.9 South Wales Fire & Rescue Authority has a two-stage arrangement on the following basis:-
- Stage One** – the matters should be considered by the Chief Fire Officer, or a senior manager specified by him/her, who will give a decision on the matters; and
- Stage Two** – the decision should be confirmed or replaced by the decision of elected Members of the Fire & Rescue Authority. The Authority has provided for decisions to be taken by or on their behalf by the HR & Equalities Committee.

- (a) In all circumstances the appellants' documentary submissions need to become more comprehensive in order for members to consider the case in full.
- (b) The advocacy condition was removed to alleviate pressure on the appellant in an otherwise unfamiliar environment, it removed the potentially confrontational element and allows for Members to consider all aspects in a more effective forum.

#### **1.10 Stage One Procedure details are:-**

- 1.10.1 The application for consideration of the dispute should be made in writing, giving details of the complaint.
- 1.10.2 When an application is received, the Chief Fire Officer, or the person specified by him/her, should acknowledge, and must inform the applicant that the Pensions Advisory Service (TPAS) is available to assist members and beneficiaries of the scheme(s) in connection with any difficulty with the scheme, and give the applicant the contact details of the Pensions Advisory Service.
- 1.10.3 Except in cases referred to earlier, applications must be made by any person referred above within six months beginning after the date on which the person could have reasonably known about the matter in dispute, or in the case of a person in categories (e) and
- 1.10.4 In general terms a decision on the application must be notified to the complainant or his/her representative within two months of receipt of the application or a further letter must be sent explaining the reason for the delay and the expected date of the decision.

#### **1.11 Stage Two Procedure details are**

- 1.11.1 If the complainant is dissatisfied with the decision at Stage One, he or she can apply in writing, not later than six months after the date on which notified of the Stage One decision, for the decision to be reconsidered by the Fire & Rescue Authority.
- 1.11.2 A decision must be taken within two months of receipt of the application or a further letter must be sent explaining the reasons for the delay and the expected date of the decision.

1.11.3 The notice of the decision must include a statement that the Pensions Ombudsman appointed under Section 145(2) of the Pension Schemes Act 1993 may investigate and determine any complaint or dispute of fact or law in relation to the schemes made or referred in accordance with that Act; and contact details.

1.12 Since the last report to the Local Pension Board in March 2016, on Internal Dispute Resolution Procedures, only two cases have been placed before Members at Stage 2 for determination. There is one further case in abeyance pending the applicant being fit enough to present the case.

## 2. EQUALITY RISK ASSESSMENT

2.1 An Equality Risk Assessment has been undertaken to assess the potential impact relative to the protected characteristics arising from the Internal Dispute Resolution Procedure.

2.2 There are no immediate issues pursuant to the actions identified.

## 3. RECOMMENDATIONS

3.1 Members note the Internal Dispute Resolution Procedure rules, the revised provisions, and the range of cases that have been processed to date.

<b>Contact Officer:</b>	<b>Background Papers:</b>
ACO Philip Haynes Director of People Services	None



## **LOCAL PENSION BOARD – TRAINING PLAN & FRAMEWORK**

### **SUMMARY**

In March 2016 the Local Pension Board agreed to introduce a Training Policy and Framework to meet the statutory requirements of ensuring all Board Members to assist in identifying the requisite knowledge, skills, and understanding to enable them to fulfil their role on the Board.

### **RECOMMENDATION**

The Board is asked to review, amend, and endorse the draft Training Policy and Framework for Local Pension Board Members.

## **1. BACKGROUND**

1.1 The Pensions Regulator (TPR) Code of Practice No. 14: 'Governance and administration of public service and Pension Schemes' (page 12, paragraphs 44 to 60) identifies that every individual who is a Member of a Local Pension Board must:-

(a) be conversant with:

- i. the rules of the Firefighters' Pension Schemes, in other words the Regulations, and other regulations governing the Firefighters Pension Schemes; and
- ii any document recording policy about the administration of the Schemes which is for the time being adopted in relation to the Schemes, and

(b) have knowledge and understanding of:-

- i. The law relating to pensions; and
- ii such other matters as may be prescribed

1.2 These responsibilities begin from the date the Local Pension Board Member takes up their role. These knowledge and understanding requirements applies to every individual member of a Local Pension Board rather than as a collective group.

1.3 The Fire & Rescue Authority is committed to making the appropriate training available to Local Pension Board Members to assist them in

undertaking their role and where possible will provide support in undertaking that training.

- 1.4 Where a Local Pension Board Member does not demonstrate their capacity to attend and complete training then the Regulations require the Fire & Rescue Authority to consider whether that Member has the capacity to undertake their role on the Board.

## **2. ISSUES**

- 2.1 On 30 June, 2015, Wales Government hosted a training event for Local Pension Board Members, which aimed to provide an overview of the role and context of the Local Pension Board, along with details of the Firefighters Pension Schemes, and specifically the background to its key documents and policies. Members were subsequently supplied with a copy of the training slides in March 2016
- 2.2 To date a log of events and scheme specific information has been recorded in advance of moving to the establishment of a Members' Handbook which will record any training undertaken. It is intended that this will be a 'live' document updated for all new areas of training as they are delivered, and become a single reference point for Members.
- 2.3 Following the Fire & Rescue Authority in June 2017, a training event will be hosted in Llandrindod Wells by Wales Government, and delivered by the Local Government Pension Adviser. The event will be aimed specifically at the All Wales Scheme Advisory Board, and Local Pension Board Members. At this juncture an assessment will be made of individual training needs, and to measure knowledge, skills, and understanding against the relevant training strategy.
- 2.4 Local Pension Board Members will be required to ensure they record and maintain all further continued development training records.
- 2.5 After the Annual General Meeting, Local Pension Board Members, including any other new ones, will be asked to complete a self-assessment to help identify key areas to build upon and assist in shaping a bespoke training programme for both individuals, and the Board. This will form part of an annual review to ensure the correct level of skills and competencies are maintained.
- 2.6 A training event for Local Pension Board Members was arranged at Cardiff Gate Training & Development Centre to enable Members to complete the online TPR e-learning trustee toolkit. The Pension Regulator regularly monitors its on-line training tool, and may update the available modules. These modules are focussed at enabling individuals

to progress at their own learning pace, and are completed by undertaking a set of multiple choice questions for each section. The Pension Regulator believes that they effectively assist in meeting the knowledge and understanding issues dealt with in the Regulator's Code of Practice.

- 2.7 Attached at Appendix 1 is a table of training delivered to Local Pension Board Members during 2017/2018.

### **3. FINANCIAL CONSIDERATIONS**

- 3.1 There are no significant financial implications from this report. The costs of providing training to the Local Pension Board will need to be included in the annual training budget projections.
- 3.2 The development and implementation of a Training Policy will ensure Local Pension Board Members have sufficient knowledge and understanding to carry out their duties effectively.

### **4. REASONS FOR PROPOSALS**

- 4.1 To ensure the Local Pension Board is able to develop a Training Policy to meet the statutory requirements of ensuring all its Board Members have capacity to fulfil their obligations associated with their role.

### **5. RECOMMENDATION**

- 5.1 The Board is asked to review, amend, and endorse the draft Training Policy and Framework for Local Pension Board Members.

<b>Contact Officer:</b>	<b>Background Papers:</b>
ACO Philip Haynes Director of People Services	None



## APPENDIX 1

## RECORD OF TRAINING COVERED BY LOCAL PENSION BOARD MEMBERS

DATE OF TRAINING EVENT	MEMBERS IN ATTENDANCE	TOPICS COVERED
<p><b>13 September 2017</b></p> <p>Delivered by South Wales Fire &amp; Rescue Service Officers</p>	<p>Councillor V Smith Councillor M J Phillips Councillor K McCaffer</p>	<ul style="list-style-type: none"> <li>• Conflicts of Interest</li> <li>• Maintaining accurate member data</li> <li>• Providing information to members and others</li> <li>• Reporting breaches of the law</li> <li>• Managing risk and internal controls</li> <li>• Maintain member contributions</li> <li>• Resolving internal disputes</li> </ul>
<p><b>29 September 2017</b></p> <p>Delivered by Welsh Government Officers</p>	<p>Councillor S Pickering Councillor D Ali Councillor H Joyce Councillor G Stacey Councillor V Smith Councillor M J Phillips Councillor K McCaffer Councillor S Bradwick Councillor G Stacey</p>	<p>To be confirmed</p>

DATE OF TRAINING EVENT	MEMBERS IN ATTENDANCE	TOPICS COVERED
<p align="center"><b>11 October 2017</b></p> <p>Delivered by South Wales Fire &amp; Rescue Service Officers</p>	<p>Councillor S Bradwick  Councillor D Ali  Councillor H Joyce  Councillor G Stacey  Councillor K McCaffer  Councillor V Smith  Councillor M J Phillips</p>	<p align="center">To be confirmed</p>



- 1.5 The Pension Regulator is considering its approach to the future regulation of public sector pension schemes, including where and how their work aligns with other Regulators. The Pension Regulator is responsible for overseeing the governance and administration aspects of pensions, but is reviewing their current activity within existing powers, and also whether additional powers/wider regulatory activity would be of benefit.

## **2. EQUALITY RISK ASSESSMENT**

- 2.1 An Equality Risk Assessment has been undertaken to assess the potential impact relative to the protected characteristics arising from the Internal Dispute Resolution Procedure.
- 2.2 There are no immediate issues pursuant to the actions identified.

## **3. RECOMMENDATION**

- 3.1 Members consider the evaluation assessment for the Fire & Rescue Authority's pension scheme administration performance, and make recommendations for action.

<b>Contact Officer:</b>	<b>Background Papers:</b>
ACO Philip Haynes Director of People Services	Appendix 1 – Copy of the Self Assessment Tool



Public service pension schemes

# Self-assessment tool



Information  
for those  
running public  
service pension  
schemes

## Introduction

This self-assessment tool is for those involved in running public service pension schemes, including scheme managers and pension boards. It sets out key processes, tools and actions we expect to see in a well-run scheme, and will help you identify issues and actions to take to improve governance and administration in your scheme. This tool is not designed to assess compliance with the law, and does not replace a comprehensive review of your scheme against the relevant legislation and TPR's code of practice (the code), which we expect all schemes to undertake.

There are three parts to this tool: 'Governing your scheme' (page 3), 'Managing risks and resolving issues' (page 8) and 'Administration' (page 11), each of which contains a few questions. For each question, select the most appropriate answer and consider the associated Red/Amber/Green risk rating (see key on page 3) and the guidance and links provided. This tool is for your use only and TPR cannot see the answers provided. You should answer as honestly as possible, to provide you with the most accurate assessment of your scheme.

We recommend you create a plan to set out the actions you are planning to take to address any risks identified in your results, or actions you will take to help you achieve best practice. You should review progress against this plan regularly.

## Further information

Statistics refer to findings from TPR's 2015 survey into the governance and administration of public service schemes<sup>1</sup>.

If you would like to feedback on this tool, please contact us at [PSPSR@tpr.gov.uk](mailto:PSPSR@tpr.gov.uk).

<sup>1</sup> [www.tpr.gov.uk/ps-research](http://www.tpr.gov.uk/ps-research)

### Red/Amber/Green rating

- R** A **Red** rating indicates a potential gap in processes, tools or actions which could pose a high risk to your ability to meet legal requirements. These areas should be considered as a priority.
- A** An **Amber** rating indicates a potential gap in processes, tools or actions which could pose a risk to your ability to meet legal requirements or more generally achieve the standards we set out in our code.
- G** A **Green** rating indicates where processes, tools or actions are in line with what we would expect to see in a well-run scheme.

## Governing your scheme

Have you clearly defined and recorded the roles and responsibilities of the pension board?	
Yes	<p><b>G</b></p> <p>You should keep roles and responsibilities under review, in particular considering any changes to scheme regulations or working arrangements (eg where certain functions are delegated by the scheme manager). Roles and responsibilities should be made clear during the board member appointment process, so they are clear about what is expected of them and what the role entails. You should also ensure these are communicated and understood by relevant parties such as the administrator, members or in the case of local government pension schemes, the pension committee, eg by publishing them alongside other pension board information.</p>
No/In progress/ Don't know	<p><b>A</b></p> <p>A number of different people are involved in governing and administering public service schemes and it's important that they clearly understand their respective responsibilities. Roles and responsibilities can vary between pension boards, depending on each scheme's regulations and working arrangements agreed with the scheme manager (eg delegated functions). It's important that you identify and document them for your board. You should involve the relevant people in defining these roles and responsibilities, in particular the scheme manager and, in the case of local government schemes, the pension committee.</p>
Have you published information about the pension board and kept it up to date?	
Yes – we publish information to legal requirements	<p><b>G</b></p> <p>Our code<sup>2</sup> sets out examples of information beyond the legal requirements we might expect to see published in a well-run scheme, such as the board's terms of reference. Publishing additional information provides greater transparency to members and other parties about the management of the scheme.</p> <p>You should monitor all published data on an ongoing basis to ensure it remains accurate and complete. You should also ensure that any information published is suitably accessible – it should be available to all scheme members and all staff who are eligible to be automatically enrolled into the scheme without them needing to ask for it. Further guidance about publishing scheme information is on our website<sup>3</sup>.</p>

<sup>2</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>3</sup> [www.tpr.gov.uk/PS-publishing](http://www.tpr.gov.uk/PS-publishing)

## Have you published information about the pension board and kept it up to date? continued...

<p>Yes – we publish information to legal requirements and provide additional information about the pension board and board business</p>	<p><b>G</b></p> <p>Our code<sup>4</sup> sets out examples of additional information you may wish to consider publishing if you don't already do so. You should monitor all published data to ensure it remains accurate and complete.</p> <p>You should also ensure that the information is suitably accessible – it should be available to all scheme members and all staff who are eligible to be automatically enrolled into the scheme without them needing to ask for it. Further information about publishing scheme information is on our website<sup>5</sup>.</p>
<p>No</p>	<p><b>R</b></p> <p>By law, the scheme manager must publish certain information about the pension board and keep this up to date. You should ensure this information is published without delay and monitored to ensure it remains accurate and complete.</p>
<p>In progress/ Don't know</p>	<p><b>A</b></p> <p>Further information about publishing scheme information is on our website<sup>6</sup>. Our code<sup>7</sup> also sets out additional information we might expect to see published in a well-run scheme, such as the board's terms of reference.</p>

<sup>4</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>5</sup> [www.tpr.gov.uk/PS-publishing](http://www.tpr.gov.uk/PS-publishing)

<sup>6</sup> [www.tpr.gov.uk/PS-publishing](http://www.tpr.gov.uk/PS-publishing)

<sup>7</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

Do you have policies and arrangements in place to help pension board members acquire and retain the requisite knowledge and understanding?	
Yes	<b>G</b> Clearly defined policies and arrangements can help board members meet their legal obligations around knowledge and understanding. Four in five public service schemes have put such arrangements in place. You should keep your processes under regular review to ensure they remain effective and fit for purpose.
No	<b>R</b> Board members must have the required knowledge and understanding so they can perform their role properly. Four in five public service schemes have put in place policies and arrangements for acquiring and retaining knowledge and understanding – this key process helps board members meet their legal obligations. Further practical guidance on knowledge and understanding is available in our code <sup>8</sup> .
In development /Don't know	<b>A</b>
Do you use the following for your pension board?	
Individual training needs analysis	
Yes	<b>G</b> Using individual training needs analysis can help board members identify specific individual training needs. Training is an important part of the pension board members' role and they should invest sufficient time in their learning and development alongside their other responsibilities and duties. Board members should keep their skills, knowledge and competencies under regular review to identify gaps and weaknesses for further training.
No/ Don't know	<b>A</b> Board members must have the required knowledge and understanding so they can perform their role properly. The training needed to acquire the degree of knowledge and understanding required may vary according to each member's role and expertise. As such, training needs may be personal to the individual and you should consider the use of individual training needs analysis. You can use our tool 'Assessing your Learning Needs' <sup>9</sup> to get you started. Further information can also be found in our code <sup>10</sup> and our quick guide to personal development <sup>11</sup> .

<sup>8</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>9</sup> [www.tpr.gov.uk/ps-assess](http://www.tpr.gov.uk/ps-assess)

<sup>10</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>11</sup> [www.tpr.gov.uk/ps-develop](http://www.tpr.gov.uk/ps-develop)

Do you use the following for your pension board continued...	
<b>Training plans</b>	
<b>Yes</b>	<p><b>G</b></p> <p>Board members should regularly review their skills, knowledge and competencies to identify gaps and weaknesses, and should invest sufficient time in their learning and development. Many schemes use pension board training plans to help board members acquire and retain knowledge and understanding. If you don't already do so, you may wish to consider the use of individual training plans as the training needed may vary according to each member's role and expertise. Further information can be found in our code<sup>12</sup> and our quick guide to personal development<sup>13</sup>.</p>
<b>No/ Don't know</b>	<p><b>A</b></p> <p>Board members must have the required knowledge and understanding so they can perform their role properly. They should regularly review their skills, knowledge and competencies to identify gaps and weaknesses, and should invest sufficient time in their learning and development. You should consider the use of a pension board training plan or individual training plans. Many schemes use pension board training plans. Individual training plans enable an even more bespoke approach, which reflects the different training needs of each member. Further information can be found in our code<sup>14</sup> and our quick guide to personal development<sup>15</sup>.</p>
<b>Training log</b>	
<b>Yes</b>	<p><b>G</b></p> <p>Many schemes use training logs to help board members track their learning. They help you demonstrate steps you have taken to comply with legal requirements. You should regularly review the training log to ensure that risks associated with knowledge gaps are being mitigated. Board members should keep their skills, knowledge and competencies under regular review to identify gaps and weaknesses for further training.</p>
<b>No/ Don't know</b>	<p><b>A</b></p> <p>Board members must have the required knowledge and understanding so they can perform their role properly. You should keep appropriate records of the learning activities of the pension board. This will help demonstrate steps you have taken to comply with legal requirements and how they have mitigated risks associated with knowledge gaps. Further information can be found in our code<sup>16</sup>.</p>

<sup>12</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>13</sup> [www.tpr.gov.uk/ps-develop](http://www.tpr.gov.uk/ps-develop)

<sup>14</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>15</sup> [www.tpr.gov.uk/ps-develop](http://www.tpr.gov.uk/ps-develop)

<sup>16</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

Do you have a conflicts policy and procedure for pension board members?	
Yes	<p><b>G</b></p> <p>Nine in ten public service schemes have put conflicts policies and procedures in place for board members. These help identify, monitor and manage any interests that have the potential to become conflicts. You should review the policy and procedures regularly to ensure they remain fit for purpose.</p>
No	<p><b>R</b></p> <p>Conflicts of interest in pension board members are prohibited. You should consider putting in place conflicts policies and procedures, which include identifying, monitoring and managing any interests that have the potential to become conflicts.</p>
In development /Don't know	<p><b>A</b></p> <p>Nine in ten public service schemes have put such processes in place. Further information is in our code<sup>17</sup>.</p>
Do you have a register of interests (or equivalent)?	
Yes	<p><b>G</b></p> <p>A register is a simple and effective way of recording and monitoring interests. Conflicts should be included as an opening agenda item at pension board meetings and you should capture decisions about how to manage potential conflicts. The register of interests should be circulated to the pension board for ongoing review and published, for example on a scheme's website.</p>
No	<p><b>R</b></p> <p>Conflicts of interest in pension board members are prohibited. The scheme manager must be satisfied that a pension board member doesn't have any conflicts of interest. A register is used by three quarters of public service schemes, and provides a simple and effective means of recording and monitoring interests that have the potential to become conflicts. Further information is in our code<sup>18</sup>.</p>
In development /Don't know	<p><b>A</b></p>

<sup>17</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>18</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)



## Managing risks and resolving issues

Do you have procedures in place for assessing and managing risk?	
Yes	<b>G</b> You should review your processes regularly to ensure they remain effective and fit for purpose. Seven in ten public service schemes aim to review the effectiveness of their risk management and internal controls systems at least annually. Our code <sup>19</sup> provides practical guidance on risk management to consider in your review.
No	<b>R</b> The scheme manager must establish and operate internal controls: systems, arrangements and procedures that are put in place to ensure the scheme is run in accordance with legal requirements. Documented risk processes are a key internal control used by three quarters of public service schemes. Not having such processes in place may put you at significant risk of not identifying, mitigating or managing risks which could have a material impact on the scheme and members. You can find further information in our code <sup>20</sup> .
In development /Don't know	<b>A</b>
Do you have a risk register?	
Yes	<b>G</b> You should review risks regularly. Three in five public service schemes assess risks at least every quarter. The risk register, and any other internal controls you put in place, should be kept under review to ensure that they remain effective and fit for purpose.
No	<b>R</b> Four in five public service schemes operate a risk register – this key tool helps schemes manage internal and external risks. A well-designed risk register helps you focus your resources on the risks which are the most likely to occur and have the greatest potential impact on scheme operations and members. You can get started with our example risk register <sup>21</sup> .
In development /Don't know	<b>A</b> You should review risks regularly. Three in five public service schemes assess risks at least every quarter. Our code <sup>22</sup> provides further practical guidance on risk management.

<sup>19</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>20</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>21</sup> [www.tpr.gov.uk/ps-risk-register](http://www.tpr.gov.uk/ps-risk-register)

<sup>22</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

Where you have outsourced services, do you ensure that providers demonstrate that they have internal controls in place?	
Yes	<p><b>G</b></p> <p>You should review the effectiveness of your internal controls regularly, including those of your outsourced service providers. You should ensure that you receive sufficient assurance from providers on the services they provide – it should be sufficiently detailed and comprehensive for you to properly assess the effectiveness of their internal controls. Our code<sup>23</sup> provides further guidance on internal controls.</p>
No	<p><b>R</b></p> <p>The scheme manager must establish and operate internal controls: systems, arrangements and procedures that are put in place to ensure the scheme is run in accordance with legal requirements. This applies equally where schemes outsource services. Nine in ten public service schemes ensure outsourced service providers demonstrate that they have adequate internal controls in place. You should ask providers to demonstrate this in tenders for delivering services, and incorporate these requirements in your contracts. Our code<sup>24</sup> provides further guidance on internal controls.</p>
In progress/ Don't know	<p><b>A</b></p> <p>Seven in ten public service schemes report having a documented service level agreement in place with their scheme administrator – this enables them to measure the timeliness, quality and accuracy of administration. Our code<sup>25</sup> provides further guidance on internal controls.</p>
We don't use outsourced services	N/A
Do you have a service level agreement, or equivalent, in place with your scheme administrators, whether in-house or outsourced?	
Yes	<p><b>G</b></p> <p>The administration of the scheme is where a larger proportion of the scheme manager's duties are carried out – it is vital that you pay attention to the way your scheme is administered. You should ask the administrator to attend relevant meetings, as this will help you better understand the administration function and identify improvements. You should regularly monitor the performance of your administrator against documented targets and take steps to address areas of poor performance.</p>
No/In development /Don't know	<p><b>A</b></p> <p>The administration of the scheme is where a larger proportion of the scheme manager's duties are carried out – it is vital that you pay attention to the way your scheme is administered. You need to be confident that your administrator is delivering its services and take steps to address poor performance.</p>

<sup>23</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>24</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>25</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

Are your internal dispute resolution arrangements clearly communicated to members and others?	
Yes	<p><b>G</b> You should consider using a variety of ways to communicate your arrangements to members, for example in joining booklets, benefit letters or decision letters. Schemes should also make their arrangements accessible to potential applicants, for example by publishing them on a scheme website, as some public service schemes do. You should ensure that the effectiveness of the arrangements is assessed regularly. Further information on internal dispute resolution is available in our code<sup>26</sup>.</p>
No/In progress/Don't know	<p><b>A</b> Internal dispute resolution arrangements provide formal procedures for disputes to be investigated and decided upon quickly and effectively. They play a key role in the effective governance and administration of a scheme.</p> <p>You should confirm and communicate your arrangements to members, for example in the joining booklet. Some public service schemes provide this information in other written communications, for example in benefit or decision letters. Schemes should also make their arrangements accessible to potential applicants, for example by publishing them on a scheme website. Further information on internal dispute resolution is available in our code<sup>27</sup>.</p>
Do you have procedures in place to identify, assess and report breaches of the law?	
Yes	<p><b>G</b> You should review your procedures regularly so they remain effective and fit for purpose. Some pension boards have made breach monitoring a standing agenda item, where they review all breaches (whether significantly material or not) to track progress and ensure issues are addressed. If a breach does occur and you think it is of material significance to us, you should report it to us as soon as possible. Don't wait for the issue to be resolved. Our code<sup>28</sup> details information you should include in a report.</p>
No	<p><b>R</b> Scheme managers, pension board members and certain other parties have a duty to report breaches of the law to us in certain circumstances. You should make sure you have effective procedures to identify, assess and report breaches. This is critical in order to reduce risk in your scheme and to help you meet your legal duty. Our code<sup>29</sup> provides practical guidance on what procedures should cover, how to assess if a breach should be reported to us and what to report.</p>
In development/Don't know	<p><b>A</b></p>

<sup>26</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>27</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>28</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>29</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

## Administration

Do you have a process in place to ensure that information is provided to TPR as required (eg through the scheme return)?	
Yes	<p><b>G</b> You must provide us with certain information and keep this information up to date, and complete a scheme return when asked. To help you meet your legal obligations, you should provide us with a 'scheme contact' via our online portal, Exchange<sup>30</sup> and make sure this information is kept up to date in light of role changes. Larger schemes may wish to provide several people with access to Exchange.</p>
No	<p><b>R</b> You must provide us with certain information and keep this information up to date, and complete a scheme return when asked. Scheme managers can be fined if they don't comply. To help you meet your legal duties, you should assign a person to act as a contact for TPR and provide us with the information required. In larger schemes, this may be assigned to several people. You should make sure this person (or people) has access to our online portal Exchange<sup>31</sup>. Further information is available on our website<sup>32</sup>.</p>
In development /Don't know	<p><b>A</b></p>
Do you have processes in place to monitor scheme records for all membership types on an ongoing basis and ensure they are accurate and complete?	
Yes	<p><b>G</b> Processes should cover all membership types and you should review these regularly to ensure they remain effective and fit for purpose. Guidance can be found in our code<sup>33</sup> and on our website.</p>
No	<p><b>R</b> Scheme managers must ensure that certain data is complete and accurate. This applies equally in respect of active, deferred, pensioner members and beneficiaries. Failure to maintain complete and accurate records can affect your ability to carry out basic functions.</p>
In development /Don't know	<p><b>A</b> Four in five schemes have put in place record-keeping policies and procedures for all types of members and beneficiaries. You should establish or review your record-keeping processes immediately. Guidance can be found in our code<sup>34</sup> and on our website.</p>

<sup>30</sup> [www.tpr.gov.uk/exchange](http://www.tpr.gov.uk/exchange)

<sup>31</sup> [www.tpr.gov.uk/exchange](http://www.tpr.gov.uk/exchange)

<sup>32</sup> [www.tpr.gov.uk/ps-reporting](http://www.tpr.gov.uk/ps-reporting)

<sup>33</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>34</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

Do you have controls in place to ensure that your employer(s) provide timely, accurate and complete data?	
Yes	<p><b>G</b></p> <p>Receiving good data from your employer(s) is key to your ability to maintain accurate scheme records. Though nine in ten public service schemes require employers to provide timely, accurate and complete data, schemes have reported that a significant proportion of employers do not provide this as a matter of course. This can create significant record-keeping issues, even for single employer schemes. You should work with employers to ensure that scheme and employer processes are effective and fit for purpose. Our guide to issuing annual benefit statements<sup>35</sup> highlights examples of best practice for communicating and working with employers.</p>
No	<p><b>R</b></p> <p>Scheme managers must keep records of specific member data. Most of this information will come from your employer(s) so you should ensure that employers have processes in place to provide you with the right data at the right time and in the right format. Poor data can create significant issues, even in single employer schemes. Some schemes provide specific training to employers on data requirements. Further information can be found in our code<sup>36</sup> and our guide to issuing annual benefit statements<sup>37</sup>.</p>
In development /Don't know	<p><b>A</b></p>
When did you last carry out a data review exercise?	
Within the last year	<p><b>G</b></p> <p>You should continue to carry out a data review at least annually. Data records should be additionally reviewed and cleansed when you change administrator or administration system/platform. Further information on record-keeping can be found in our code<sup>38</sup> and on our website.</p>
More than a year ago/Never	<p><b>R</b></p> <p>A data review is a key action we would expect a well run scheme to undertake at least annually. A review enables you to identify gaps and data quality issues, and take action to resolve these. Nine in ten public service schemes plan to review their data at least once a year. The Record Keeping Regulations set out records scheme managers are required to keep and you should measure your data against these requirements. Your review should include an assessment of the accuracy and completeness of the member data held. Further information can be found in our code<sup>39</sup> and on our website.</p>
Don't know	<p><b>A</b></p>

<sup>35</sup> [www.tpr.gov.uk/ps-benefit](http://www.tpr.gov.uk/ps-benefit)

<sup>36</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>37</sup> [www.tpr.gov.uk/ps-benefit](http://www.tpr.gov.uk/ps-benefit)

<sup>38</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>39</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<b>Where you have identified poor quality or missing data, do you have an improvement plan to address issues?</b>	
Yes	<b>G</b> Your plan should have specific data improvement measures that you can monitor and an end date within a reasonable timeframe when the scheme will have complete and accurate data.
No	<b>R</b> You should continually review your data and carry out a data review exercise at least once a year. You should then ensure the necessary steps are taken to resolve any issues identified. A data improvement plan is a key tool we expect schemes to use to address issues of poor quality or missing data. Your plan should have specific data improvement measures that you can monitor and an end date within a reasonable timeframe when the scheme will have complete and accurate data.
In development /Don't know	<b>A</b>
Not required	<b>G</b> You should continually review your data and carry out a data review exercise at least once a year. You should then ensure that the necessary steps are taken to resolve any issues identified. A data improvement plan is a key tool we expect schemes to use to address issues of poor quality or missing data where they arise.
<b>Do you have processes in place for monitoring scheme contributions, resolving issues and assessing whether to report payment failures to TPR?</b>	
Yes	<b>G</b> You should review your processes regularly to ensure they remain effective and fit for purpose. Guidance can be found in our code <sup>40</sup> and our Managing contributions checklist <sup>41</sup> .
No	<b>R</b> The scheme manager of a public service scheme must establish and operate internal controls. This should include processes around payments of contributions. Four in five public service schemes have such processes in place. Schemes should monitor contributions on an ongoing basis and regularly check payments received against the payments which were due. Schemes should take steps to resolve payment failures. The scheme manager must report these where they believe they are likely to be of material significance to TPR. Further information is available in our code <sup>42</sup> . You can also use our Managing contributions checklist <sup>43</sup> to evaluate how effectively your scheme manages contributions.
In development /Don't know	<b>A</b>

<sup>40</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>41</sup> [www.tpr.gov.uk/ps-checklist](http://www.tpr.gov.uk/ps-checklist)

<sup>42</sup> [www.tpr.gov.uk/code14](http://www.tpr.gov.uk/code14)

<sup>43</sup> [www.tpr.gov.uk/ps-checklist](http://www.tpr.gov.uk/ps-checklist)

Have you reviewed your processes for issuing annual benefit statements to ensure they are fit for purpose?	
Yes	<p><b>G</b> You should proactively address issues that arose in the previous year and ensure remedial work is completed before the next cycle. You should also consider reporting on the lessons learnt, for example to the pension board, employers or members. Some best practice examples to consider for future reviews are included in our guide to issuing annual benefit statements<sup>44</sup>.</p>
No/In progress/ Don't know	<p><b>A</b> You should consider undertaking a lessons learned exercise once your statements are issued, including getting feedback from stakeholders involved. This is particularly important when you have implemented new requirements. Processes should be updated, and remedial work scheduled, in time for the next cycle. Some issues to consider in your review are included in our guide to issuing annual benefit statements<sup>45</sup>.</p> <p>Where issues resulted in a failure to comply with legal duties (eg a failure to provide benefit statements) and you consider this is likely to be of material significance to us, you should submit a breach of law report.</p>
Have you taken steps to ensure member communications are clear, accurate and easily accessible?	
Yes	<p><b>G</b> You should regularly review your member communications to ensure members are able to engage with their pension savings. You can find out about members' information needs and their views on your communications in a number of ways – by speaking to employee representatives on the pension boards, listening in on calls to the administrator, undertaking member surveys or even organising focus groups.</p>
No/In progress/ Don't know	<p><b>A</b> Good communications are key to ensure members are able to engage with their pension provision, and effectively plan for retirement. You should design and deliver communications that are clear and simple to understand, as well as being accurate and easily accessible. Avoid jargon where possible, explain technical terms clearly and make sure you're consistent in the language you use.</p> <p>There are a number of ways you can find out about members' information needs and their views on your communications – you should choose methods appropriate to the size of your scheme and available resources. Examples include speaking to employee representatives on the pension boards, listening in on calls to the administrator, undertaking member surveys or even organising focus groups.</p>

<sup>44</sup> [www.tpr.gov.uk/ps-benefit](http://www.tpr.gov.uk/ps-benefit)

<sup>45</sup> [www.tpr.gov.uk/ps-benefit](http://www.tpr.gov.uk/ps-benefit)

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[www.tpr.gov.uk](http://www.tpr.gov.uk)

[www.trusteetoolkit.com](http://www.trusteetoolkit.com)

Free online learning for trustees

[www.pensionseducationportal.com](http://www.pensionseducationportal.com)

Free online learning for those running public service schemes

### **Self-assessment tool**

Public service pension schemes

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The Pensions  
Regulator



**FORWARD WORK PROGRAMME FOR  
LOCAL PENSION BOARD 2017/2018**

<b>Report Name</b>	<b>Purpose of piece of work</b>	<b>Lead Director/ Contact Officer</b>	<b>Expected Date of Decision/ Submission/ Review</b>	<b>Progress</b>
Local Pension Board – Terms of Reference & Delegated Authorities	To inform Local Pension Board Members of the Board's responsibilities in relation to Terms & Delegated Authorities	ACO People Services  <b>Contact Officer:</b> Calvin Powell	3 July 2017	Presented
Firefighters' Pension Scheme – South Wales Fire & Rescue Authority	To inform Local Pension Board Members of the Board's responsibilities in relation to all Firefighters' Pension Schemes	ACO People Services  <b>Contact Officer:</b> Philip Haynes	3 July 2017	Presented
Firefighters' Pension Scheme 1992	To inform Local Pension Board Members of the scope and terms of the Firefighters' Pension Scheme 1992	ACO People Services  <b>Contact Officer:</b> Philip Haynes	3 July 2017	Presented

<b>Report Name</b>	<b>Purpose of piece of work</b>	<b>Lead Director/ Contact Officer</b>	<b>Expected Date of Decision/ Submission/ Review</b>	<b>Progress</b>
Firefighters' Pension Scheme 2007	To inform Local Pension Board Members of the scope and terms of the Firefighters' Pension Scheme 2007.	ACO People Services  <b>Contact Officer:</b> Philip Haynes	3 July 2017	Presented
Firefighters' Pension Scheme (Wales) 2015	To inform Local Pension Board Members of the scope and terms of the Firefighters' Pension Scheme 2015.	ACO People Services  <b>Contact Officer:</b> Philip Haynes	3 July 2017	Presented
Firefighters' Pension Scheme – Membership Data	To provide Local Pension Board Members with a data analysis of the composition of the Firefighters' Pension Schemes	ACO People Services  <b>Contact Officers:</b> Julia Thompson/Philip Haynes	16 October 2017	On agenda
Managing Risks & Internal Controls	To enable Members to consider the Fire & Rescue Authority's and Fire & Rescue Service's pension scheme risk factors.	ACO People Services  <b>Contact Officer:</b> Philip Haynes	16 October 2017	On agenda

Report Name	Purpose of piece of work	Lead Director/ Contact Officer	Expected Date of Decision/ Submission/ Review	Progress
Internal Disputes Resolution Procedure (IDRP)	To provide Local Pension Board Members with an analysis of IDRP cases that have been considered	ACO People Services  <b>Contact Officers:</b> Julia Thompson/Philip Haynes	16 October 2017	On agenda
Local Pension Board Training Plan & Framework	To enable Local Pension Board Members to review their training needs within the established framework and policy.  To inform Members of the current training activity and future proposals.	ACO People Services  <b>Contact Officer:</b> Philip Haynes	16 October 2017	On agenda
Pension Regulator's Self Assessment Tool for Public Service Pension Schemes	To enable Local Pension Board Members to evaluate the Fire & Rescue Authority's pension scheme administration performance.	ACO People Services  <b>Contact Officer</b> Philip Haynes	16 October 2017	On agenda

Report Name	Purpose of piece of work	Lead Director/ Contact Officer	Expected Date of Decision/ Submission/ Review	Progress
Summary of the Local Pension Board Work Programme	Report to be submitted to the Fire & Rescue Authority which sets out the Local Pension Board activity throughout 2015-16	ACO People Services  <b>Contact Officer:</b> Philip Haynes	26 February 2018	

ACO Philip Haynes – Director of People Services  
 Calvin Powell – Deputy Monitoring Officer  
 Geraint Thomas- Head of Finance & Procurement  
 Julia Thompson – Pensions Officer

## AGENDA ITEM NO 11

**To consider any items of business that the Chairman deems urgent  
(Part 1 or 2)**



1. Apologies for Absence

2. Declarations of Interest

Members of the Fire & Rescue Authority are reminded of their personal responsibility to both verbally and in writing declare any personal and/or prejudicial interests in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct.

3. Chairman's Announcements

4. To Receive the Minutes of:-

- Local Pension Board Committee Meeting held on 3 July 2017 3

5. Firefighters' Pension Scheme – Membership Data 7

6. Managing Risks & Internal Controls 11

7. Firefighters' Pension Scheme - Internal Dispute Resolution Procedure (IDRP) 21

8. Local Pension Board - Training Plan & Framework 25

9. Pension Regulator's Self Assessment Tool for Public Service Pension Schemes 31

10. Forward Work Programme 2017-2018 49

11. To consider any items of business that the Chairman deems urgent (Part 1 or 2) 53