



**DEVON &  
SOMERSET**  
FIRE & RESCUE SERVICE

## **LOCAL PENSION BOARD**

**Date of Meeting:** Wednesday 17 March 2021, at 3.00 pm via Microsoft Teams

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

<b>ITEM NO.</b>	<b>ITEM TITLE</b>
1.	<b><u>Apologies</u></b>
2.	<b><u>Conflict of Interest Declaration</u></b>
3.	<b><u>Notes</u></b> (Pages 1 - 4) Notes of the meeting held on 9 December 2020 attached.
4.	<b><u>Review of Actions</u></b> (Pages 5 - 6) Review of Actions of previous meeting attached.
5.	<b><u>GOVERNANCE ISSUES</u></b>
	(a) <b><u>Appointments to the Board 2021</u></b> (Pages 7 - 8) Paper attached.
	(b) <b><u>Review of Terms of Reference and Roles &amp; Responsibilities</u></b> (Pages 9 - 22) Paper attached.
6.	<b><u>Scheme Manager Update</u></b> (Pages 23 - 28) Paper attached.
7.	<b><u>Update on Potential Key Performance Indicators for the Service and Board</u></b> (Pages 29 - 32) Paper attached.
8.	<b><u>PENSION BOARD RISKS</u></b>
	(a) <b><u>Board Risk Management Procedure</u></b> Draft attached.

ITEM NO.	ITEM TITLE
	<p>(b) <b><u>Risk Register</u></b> (Pages 33 - 36) To review the register (v.1.08) attached.</p>
9.	<b><u>SELF-ASSESSMENT/ASSURANCE</u></b>
	<p>(a) <b><u>Website</u></b> To confirm that the website is up-to-date.</p>
	<p>(b) <b><u>tPR Public Service Governance and Administration Survey 2019 Results</u></b> (Pages 37 - 102) To discuss.</p>
	<p>(c) <b><u>tPR Public Service Governance and Administration Survey 2020 Submission</u></b> (Pages 103 - 124) To discuss.</p>
	<p>(d) <b><u>Annual Review of Internal Controls</u></b> (Pages 125 - 126) Document attached.</p>
	<p>(e) <b><u>tPR Self-Assessment</u></b> (Pages 127 - 130) Document attached.</p>
10.	<b><u>TOPICS OF INTEREST</u></b>
	<p>(a) <b><u>Split (Two) Pensions Rules</u></b> (Pages 131 - 146) (i). LGA Guidance Note attached; (ii). General discussion</p>
11.	<b><u>TRAINING</u></b>
	<p>(a) <b><u>Training Log</u></b> (Pages 147 - 148) Latest version attached.</p>
	<p>(b) <b><u>Training Needs Analysis (TNA) and Training Plan</u></b> (Pages 149 - 160) Paper attached.</p>
12.	<p><b><u>Correspondence Update</u></b> (Pages 161 - 162) Document attached.</p>
13.	<p><b><u>LPB Work Programme</u></b> (Pages 163 - 164) Attached, for review.</p>
14.	<p><b><u>Date of Next Meeting</u></b> 15.00hours, Wednesday 23 June 2021 (venue to be confirmed).</p>

## **Board Membership**

### *Scheme Manager Representatives:*

Mike Pearson  
Satnam Singh Rai  
Amy Webb  
Cllr George Wheeler

### *Scheme Member Representatives:*

Andy Hallam  
James Leslie  
Peter Redbourn  
Ben Redwood

### *Other Attendees:*

Steve Pope (Delegated Scheme  
Manager)  
Caroline Gourlay (Rewards & Benefits  
Manager)  
Steve Yates

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**LOCAL PENSION BOARD**  
**9 December 2020**

**Present:**

*Scheme Manager  
Representatives:*

*Scheme Member  
Representatives:*

*Other Attendees:*

Mike Pearson (MP)  
(Ch)

Andy Hallam (AH)

Caroline Gourlay (CG) (Rewards & Benefits  
Manager)

Satnam Singh Rai  
(SSR)

James Leslie (JL)

Amy Webb (AW)

Peter Redbourn  
(PR)

Helen Scargill (HS) (West Yorkshire Pensions  
Fund)

Cllr George Wheeler  
(GW)

Steve Yates (SY) (Note-taker)

**Apologies:**

Steve Pope (SP) (Delegated Scheme Manager)

MIN NO.	ITEM TITLE
LPB/20/40	<b><u>Conflict of Interest Declaration</u></b> No new interests were declared.
LPB/20/41	<b><u>Notes</u></b> The Notes of the meeting held on 9 September 2020 were <b>AGREED</b> .
LPB/20/42	<b><u>Correspondence Update</u></b> <b>NOTED</b> latest version of log listing all correspondence received and circulated to Board Members since the last meeting. Clarification was sought over the issue of scheme sanction charges for unauthorised payments, as set out in the latest West Yorkshire Pension Fund monthly bulletin. AW clarified that Devon & Somerset followed the correct process in that any such charges would be met from the Authority's revenue budget and not the Firefighters' Pensions Fund. The additional charges incurred recently by the Authority following its change to a new pensions administrator were not, however, a result of scheme sanction charges but rather resulted from incorrect application by the previous provider of pension abatement rules.
LPB/20/43	<b><u>Website</u></b> <b>NOTED</b> that the Board was satisfied that the website was up-to-date at this time.
LPB/20/44	<b><u>Training Update - Board Member Training Needs Analysis</u></b> <b>CONSIDERED</b> paper to which was appended a proposed Training Needs Analysis process for the Board (as per the Board action from 24 June 2020) and comprising:

MIN NO.	ITEM TITLE
	<p>(a). draft Introductory Text;</p> <p>(b). a draft Personal Development Plan; and</p> <p>(c). a draft Training Log</p> <p>Also circulated was an updated training showing Board Member training “currency” as at November 2020. It was noted that SP and GW should undertake re-training and that GW had commenced this.</p> <p><b>AGREED</b> process as circulated, with every Board Member to populate the template accordingly and return them to MP by the end of January 2021. Issues identified could be used to inform the Board’s forward plan (involving guest speakers to be invited to future meetings, as necessary).</p>
LPB/20/45	<p><b><u>Review of Actions</u></b></p> <p><b>CONSIDERED</b> updated Action Log listing Open Actions. Progress against actions was indicated in the comments column. It was noted that:</p> <ul style="list-style-type: none"> <li>• several actions (West Yorkshire Pension Fund [WYPF] monthly reports to feature on re-designed Service website; timescales for communicating IDRPs decisions; Scheme Membership numbers; Administration Strategy Consultation; and McCloud/Sargeant remedy consultation response) had been closed since the last meeting and would be removed from the Open Action log;</li> <li>• comments had been fed back to WYPF on the cyber security issue. MP would assess whether the gaps identified had a bearing on the risks in the Board’s risk register;</li> <li>• two of the actions (KPIs for Board effectiveness and Board Training Needs analysis) were the subject of separate items on the agenda for this meeting. The Training Needs analysis action could now be closed.</li> </ul> <p><i>(See also Note LPB/20/44 above and Notes LPB/20/47 and 48 below)</i></p>
LPB/20/46	<p><b><u>Scheme Manager Update</u></b></p> <p><b>CONSIDERED</b> paper summarising current pension matters both locally and nationally which required input from the Service. In particular, the paper addressed:</p> <p><b><i>Pension Surveys and Annual Returns</i></b></p> <p>WYPF would submit the required annual returns on behalf of the Service by the deadline of 15 December 2020.</p> <p><b><i>Pension Projects (Transition Protection Judgement; O’Brien v Ministry of Justice; Pensionable Pay for Payment for Availability [P4A] System; Fixed-term contracts and eligibility to join the Firefighters’ Pensions Schemes)</i></b></p> <p>The Service had provided the Scheme Advisory Board (SAB) with further information on Immediate Detriment cases that could be impacted in advance of the Government’s final decision on how to remove the age discrimination element highlighted by the litigation. While the Service had 22 individuals in the Immediate Detriment category, none were actually claimants.</p>

MIN NO.	ITEM TITLE
	<p>Legal discussions had commenced between central government, the Local Government Association (on behalf of fire and rescue authorities) and trades union legal representatives to consider the scope and details of the settlement exercise stemming from the O'Brien v Ministry of Justice case. Draft Regulations would be produced for consultation following the conclusion of these discussions.</p> <p>At its last meeting, the Board had considered whether the Service Payment for Availability (P4A) system should be pensionable. The consensus of the Board, following application of the Blackburne principles, was that it should be pensionable. The Fire Brigades Union had subsequently challenged this expressing the view that a national, legal determination was required. Subsequently, the LGA Senior Pension Advisor had confirmed that the issue was a matter for local determination. On this basis, the Scheme Manager was satisfied that the correct decision had been made in the light of all available guidance and consequently no further action was required.</p> <p>The Scheme Manager had been granted permission to attend the next Scheme Advisory Board meeting on 10 December 2020 to raise the issue of access to the SAB legal advice on eligibility of individuals on fixed term contracts to join the Firefighters' Pensions Scheme, given the interpretation of the Regulations as per the factsheet issued by the Local Government Association.</p> <p><b>Reporting Breaches of Law</b></p> <p>There had been no breaches to report since last meeting</p> <p><b>Internal Dispute Resolution Procedure (IDRP)</b></p> <p>A Stage 1 application had been received on whether the Area Managers Allowance was pensionable. Based on application of the Blackburne principles, it was considered that this allowance was pensionable.</p> <p><b>Pension Administrator Quality of Service</b></p> <p>WYPF now provided trend analysis information as part of its monthly reporting.</p>
LPB/20/47	<p><b><u>Update On Potential Key Performance Indicators for the Service and Board</u></b></p> <p><b>CONSIDERED</b> paper providing an update on development of Key Performance Indicators (KPIs) for both the Service and the Board. A KPI had already been established on monthly pension reporting to WYPF by the last day of the month. This target had been achieved in the last three successive months.</p> <p>A KPI of three weeks for submission of ill-health early retirement forms to Occupational Health was proposed. This might be further modified in light of feedback from other external stakeholders. Work was progressing on the development of KPIs around:</p> <ul style="list-style-type: none"> <li>• timeframes for provision of information to WYPF to enable estimates to be made;</li> <li>• number of follow-up queries of the Service from WYPF following submission of requests; and</li> <li>• timeframes for notification of retirements.</li> </ul>

MIN NO.	ITEM TITLE
	<p>JL suggested an additional KPI of time taken for ill-health retirements and added that WYPF was currently taking 6–8 weeks to provide estimates of pensions. Some Members waiting 2 years for this. This had been raised with SP.</p> <p>CG and HS indicated that they would look into this.</p> <p>AW suggested that consideration could be given to development of a KPI around the service level agreements underpinning the retirement process. CG would consider this.</p> <p>MP would add an action to the Action Log on development of an appropriate KPI on time taken for ill-health retirements.</p>
<b>LPB/20/48</b>	<p><b><u>Risk Register</u></b></p> <p><b>CONSIDERED</b> latest version (v1.07) of the Board Risk Register. MP would review risk register in light of comments on WYPF business continuity plan.</p> <p>The Risk Register was a “live” document and could be updated at any stage.</p>
<b>LPB/20/49</b>	<p><b><u>Topics of Interest</u></b></p>
	<p><b>LPB/20/49a <u>Public Sector Exit Payment Cap Regulations - Implications</u></b></p> <p>MP commented that this was focussed on the Local Government Pension Scheme rather than Firefighters Pension Schemes. The Regulations had created a direct conflict with the LGPS Regulations. A number of legal challenges had been mounted (two judicial reviews).</p> <p>CG advised that the current thinking was that the Regulations would have minimal if not no impact on the Firefighters’ Pensions Schemes.</p>
<b>LPB/20/50</b>	<p><b><u>LPB Work Programme</u></b></p> <p><b>NOTED</b> latest version of the Board work programme to December 2022. This would, though, be a rolling work programme, with indicative items subject to change. Other items could be incorporated as required.</p> <p>MP commented that it would be necessary to look at whether any Board members were nearing the end of their term of office in 2021 and to run the appropriate appointments process in good time.</p>
<b>LPB/20/51</b>	<p><b><u>Date of Next Meeting</u></b></p> <p>15.00hours, Wednesday 17 March 2021 (venue to be confirmed).</p>

The Meeting started at 3.00 pm and finished at 3.56 pm

LPB Action Log 2021-03-03 - Open Actions

Date Raised	Source	Action Lead	Status	Pension Work Activity	Action	Comments	RAG
30-Oct-19	Board	Caroline Gourlay	In progress	LPB Governance and Effectiveness	<b>Local KPIs for Board Effectiveness</b> WYPF suggested that consideration to be given to development of Board KPIs to assess Service effectiveness in information transmission to WYPF (e.g. time taken to notify WYPF of death in service; pay awards etc.) 05/06/20: Action now is to develop KPI dashboards for Scheme Manager and for LPB	11/12/19: CG asked to consider any KPIs that might assist the LPB monitor scheme manager effectiveness. Consider what WYPF think is key and also look at audit reports for possible indicators. 12/02/20: CG researching what other LPBs do. 06/03/20: Work in progress 28/04/20: CG considering dashboard approach. Now pending - Covid-19 05/06/20: Action remains pending because of Covid-19 arrangements. 17/08/20: CG to circulate thoughts on KPIs 09/09/20: Paper taken to LPB. CG to progress development of the KPIs. 15/10/20: CG looking at collecting relevant data to support measures. 25/11/20: CG making progress on this - update to follow. 09/12/20: KPI on time taken for ill-health retirements to be developed 07/01/21: Work ongoing, reporting on small dashboard for Feb 04/02/21: Dashboard produced. CG to set up additional measure and action comms around retiree notice periods. Impact on performance to be monitored 03/03/21: 2 KPIs in place, 3 further in progress. Comms to be actioned.	G
18-Mar-20	Board	Mike Pearson	In progress	Risk Management	<b>WYPF Cyber Security</b> WYPF business continuity plan to be reviewed by MP/SP/CG, specifically with regard to cyber attack. Feedback given, WYPF asked to consider and respond. MP to review risk register to assess impact of gaps in WYPF BCP Aon free cyber questionnaire - consider benefit of using it (see email from Satnam 14/07/20).	28/04/20: Action pending because of Covid-19 arrangements. 05/06/20: Action remains pending because of Covid-19 arrangements. 17/08/20: Action remains pending because of Covid-19 arrangements. 15/10/20: MP to ask PP and SB to comment on WYPF BCP (done 16 Oct) 25/11/20: MP to write to WYPF with feedback on its BCP 09/12/20: WYPF asked to respond to issues raised 07/01/21: MP to review risk scores and consider using Aon free questionnaire 04/02/21: No further progression 03/03/21: No further progression	G
28-Apr-20	Scheme Manager	Steve Pope	In progress	Administration and Compliance	<b>Fixed Term Contracts</b> Question raised over whether temporary contracts were eligible for the FPS. Clair Alcock currently seeking legal advice. To be added to risk register.	05/06/20: SP continuing to work with LGA, which is still seeking to confirm legal position. To be included on risk register when reviewed. 03/07/20: SAB commissioned legal advice, LGA seeking permission to share advice. 17/08/20: CA had emailed SAB on 6 Aug chasing this. SP monitoring. 15/10/20: LGA/SAB been focused on McCloud/Sargeant but should have time now to progress this. 25/11/20: SP advised that this is on the SAB agenda for 10 December 07/01/21: CG to contact Clair Alcock to get update 04/02/21: SAB outcome confirmed temporary employments not pensionable. Awaiting a note on legal advice confirming position before action closed. 03/03/21: SAB confirmed FTC not pensionable. Note on legal advice to be issued.	G
24-Jun-20	Board	Caroline Gourlay	Complete	LPB Governance and Effectiveness	<b>TNA and Individual Training Plans</b> TNA process and individual training plans/records to be developed	03/07/20: CG to begin looking at this. 17/08/20: CG looked at what other FRAs do, most same as us. In hand but needs more work. 15/10/20: TNA template produced. CG/LE working on training record. 25/11/20: TNA template and training record to go to LPB for approval 09/12/20: Template and training record approved by LPB. <b>ACTION CLOSED</b>	G
09-Sep-20	Board	Steve Pope	Pending	Administration and Compliance	<b>Administration, Management and Governance Strategy</b> Board agreed to adopt the template strategy developed by the LGA/SAB and that Board documentation and toolkits should be adapted accordingly subject to outcome of the LGA/SAB consultation.	15/10/20: Awaiting outcome of LGA/SAB consultation. 25/11/20: Still awaiting LGA/SAB response to consultation 04/02/21: Still awaiting LGA/SAB response to consultation 03/03/21: Still awaiting LGA/SAB response to consultation	G

Page 5

Agenda Item 4

## LPB Action Log 2021-03-03 - Open Actions

Date Raised	Source	Action Lead	Status	Pension Work Activity	Action	Comments	RAG
15-Oct-20	Scheme Manager	Amy Webb	In progress	Administration and Compliance	<b>McCloud/Sargeant &amp; O'Brien/Matthews Discrimination Remedy</b> Need to consider resourcing required to implement potential remedy. Could be possibility to do something in collaboration with D&WFERS? Any central resourcing to deal with the complexity; knowledge; technology; communication issues to support fire authorities?	25/11/20: CG meeting with D&W on 3 Dec and will discuss resourcing needs. 15/12/20: Steer from LGA is focus on what we know e.g. start preparing on areas where there is information. HMT Policy decisions will be forthcoming in the couple of months from January. 04/01/21: LGA working with Home Office, SAB and NFCC to consider what the resourcing needs are going to be going forward and what the support offer should look like. 07/01/21: CG had asked team to start looking at data on known requirements 04/02/21: HMT response published. CG to arrange staff comms 03/03/21: WYFRS seeking collaborative legal advice. CG to speak to LGA re FAQ's.	A
09-Dec-20	Board	Mike Pearson	In progress	LPB Governance and Effectiveness	<b>LPB Training Needs Analysis</b> Board Member to populate template and return to MP by the end of January 2021. Issues identified could be used to inform LPB forward plan (topics of interest).	07/01/21: LE to email LPB members reminding them to complete return 04/02/21: LE to email 2 members for outstanding returns 03/03/21: 1 return outstanding. Outline training plan produced - feedback requested.	G
07-Jan-21	Work Programme	Mike Pearson	In progress	LPB Governance and Effectiveness	<b>Appointments to the LPB</b> Determine whether any Board members are nearing the end of their term of office in 2021 and to run any appropriate appointments process.	04/02/21: MP to check 2021 retirees. Position to be reported at LPB in March 03/03/21: MP to draft agenda item for LPB 17 March.	G
07-Jan-21	Work Programme	Mike Pearson	Pending	LPB Governance and Effectiveness	<b>LPB ToR and Roles/Responsibilities</b> Review ToR and Roles/Responsibilities for March LPB meeting	04/02/21: A light touch review to be taken to LPB in March. 03/03/21: Agenda item for LPB 17 March.	G
07-Jan-21	Work Programme	Caroline Gourlay	Pending	Risk Management	<b>Annual review of internal controls</b> Complete TPR Internal controls checklist for March LPB meeting	07/01/21: CG to complete TPR checklist for discussion at Feb update meeting 04/02/21: CG to discuss with scheme member rep before taken to LPB. 03/03/21: Checklist completed - with AH for comment. Agenda item for LPB 17/03.	G
07-Jan-21	Chair	Mike Pearson	In progress	LPB Governance and Effectiveness	<b>Change of Delegated Scheme Manager</b> Risk Register and Website to be updated to reflect SP having left the Service and CG now acting as Delegated Scheme Manager	07/01/21: LE to amend Risk Register and update website page as necessary 04/02/21: All updated <b>ACTION CLOSED</b>	G
07-Jan-21	Scheme Manager	Caroline Gourlay	In progress	Administration and Compliance	<b>Injury Pension - Incorrect deduction of Retirement Allowance</b> WYPF had identified possible incorrect deduction from a deceased pensioner dating back to 2010 and was reviewing other similar potential cases. Guidance issued by CLG October 2010 advised that RA should not be deducted but not clear if there was any further clarification or legal opinion. Further evidence required to establish whether WYPF assessment should be applied. <b>Also need to consider whether incorrect deduction is a breach of the law and if so whether it is reportable.</b>	07/01/21: CG to request further evidence/guidance from LGA/WYPF 04/02/21: WYPF expects full picture by end March. CG to speak with Peninsula Pensions for view on deduction rationale and any implication for LGPS. 03/03/21: CG to chase Peninsula Pensions for rationale and ensure audit trail.	A
07-Jan-21	Scheme Manager	Caroline Gourlay	In progress	Administration and Compliance	<b>Injury/ill Health Pensions</b> Need to review what records we keep about injury/ill health retirees and whether we should contact them on regular basis seeking a positive declaration about whether they are in receipt of any other benefits that may have an impact on the level of pension they receive.	07/01/21: CG to consider for discussion at the next update meeting 04/02/21: CG to check what information is captured by WYPF checks. 03/03/21: WYPF checks found to be sufficient. <b>ACTION CLOSED</b>	G

## DEVON & SOMERSET FIRE & RESCUE AUTHORITY

### LOCAL PENSIONS BOARD

<b>DATE OF MEETING</b>	<b>17 March 2021</b>
<b>SUBJECT OF REPORT</b>	<b>APPOINTMENTS TO THE BOARD 2021</b>
<b>REPORT AUTHOR</b>	<b>Director of Governance &amp; Digital Services</b>
<b>EXECUTIVE SUMMARY</b>	<p>The Terms of Reference for the Local Pension Board (the Board) set out that the term of office for Board Members will be four years, with two positions on the Board (ideally one employer and one member representative) being subject to appointment every year so as to maintain continuity of knowledge and experience.</p> <p><b>Employer Representative</b></p> <p>The Director of Finance &amp; Resourcing (Treasurer) is leaving the Service in May 2021, which creates a vacancy that the Authority will be asked to appoint to at its annual meeting on 4 June. Depending on reappointment to the Authority, it will be proposed that Cllr Wheeler’s appointment to the Board be until June 2022 (which will then be five years).</p> <p><b>Scheme Member Representative</b></p> <p>Two of the current Scheme Member Representatives, Peter Redbourn and Andy Hallam, will have reached the end of their four year term by June 2021. However, Peter Redbourn’s appointment was extended by 12 months in 2020 because of the Covid-19 pandemic. Accordingly, it is proposed that a process will be run to seek expressions of interest, from scheme members or FPS pensioners, in becoming a Board member with a view to confirming an appointment by 31 May. Under the Terms of Reference Peter Redbourn will be eligible for reappointment if he is willing to continue.</p>
<b>APPENDICES</b>	None

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## DEVON & SOMERSET FIRE & RESCUE AUTHORITY

### LOCAL PENSIONS BOARD

<b>DATE OF MEETING</b>	<b>17 March 2021</b>
<b>SUBJECT OF REPORT</b>	<b>REVIEW OF TERMS OF REFERENCE AND ROLES &amp; RESPONSIBILITIES</b>
<b>REPORT AUTHOR</b>	<b>Director of Governance &amp; Digital Services</b>
<b>EXECUTIVE SUMMARY</b>	<p>The revised Terms of Reference for the Local Pension Board (the Board) agreed by the Board in November 2019 have been reviewed. It is considered they remain appropriate and fit for purpose without alteration.</p> <p>Similarly, the Pensions Roles and Responsibilities document agreed by the Board on August 2019 has been reviewed and is considered appropriate and fit for purpose without alteration.</p> <p>The Board is asked to consider and confirm (or amend) these documents.</p>
<b>APPENDICES</b>	<ol style="list-style-type: none"> <li>1. Devon and Somerset Fire and Rescue Authority: Local Pension Board - Terms of Reference</li> <li>2. Devon and Somerset Fire and Rescue Authority: Pensions – Roles and Responsibilities</li> </ol>

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## **Devon and Somerset Fire and Rescue Authority**

### **LOCAL PENSION BOARD - TERMS OF REFERENCE**

#### **Statement of Purpose**

1. The purpose of the Board is to assist Devon and Somerset Fire and Rescue Authority (the Authority) in its role as a scheme manager of the Firefighters Pension Scheme. Such assistance is to:
  - (a) secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme; and
  - (b) ensure the effective and efficient governance and administration of the Scheme.

#### **Duties of the Board**

2. The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty Board members should:
  - (a) act always in the interests of the scheme and not seek to promote the interests of any stakeholder group above another.
  - (b) demonstrate standards of conduct based on the seven “Nolan” Principles of Public Life, modified accordingly and as appended to this document.
  - (c) be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

#### **Membership**

3. The Board will comprise an equal number of employer and member representatives with a minimum requirement of no less than four in total.
  - (a) **Member representatives**
    - i) Four member representatives shall be appointed to the Board.
    - ii) Member representatives shall either be members of the scheme administered by the Authority or have experience of representing pension scheme members in a similar capacity.
  - (b) **Employer representatives**
    - i) Four employer representatives shall be appointed to the Board
    - ii) Employer representatives shall be Members of the Devon & Somerset Fire & Rescue Authority or senior officers of the Authority, or have experience of representing scheme employers in a similar capacity. Officers of the Authority with delegated responsibility for discharging the scheme manager function of the Authority may not serve as employer representatives.

- iii) Employer representatives shall be appointed by the Authority in a manner which it considers best promotes the purpose of the Board.

**(c) Other invitees**

- i) The Board reserves the right to appoint advisers at its discretion. In the first instance, this will be a representative of West Yorkshire Pension Fund, to attend meetings as requested by the Board;
- ii) Any other appointments shall have regard to the best interests of the purpose of the Board.

**(d) Appointment of Chairman**

- i) The Board will appoint a Chair from its members annually at the first meeting of the Board following the Authority's Annual Meeting.
- ii) The duties of the Chair should be in accordance with the duties of a Chair within the Authority.

- 4. Substitute representatives are not permitted because of the nature of the Board, the need for appropriate knowledge and skills and the management of conflicts of interests.

**Notification of appointments**

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

**Conflicts of interest**

- 6. All members of the Board must declare to the Authority on appointment, and at any such time as their circumstances change, any potential conflict of interest arising as a result of their position on the Board.
- 7. On appointment to the Board and following any subsequent declaration of potential conflict the Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Authority and the requirements of the Pensions Regulator's Codes of practice 14: Governance and administration of public service pension schemes.

**Knowledge and understanding (including Training)**

- 8. Knowledge and understanding must be considered in light of the role of the Board to assist the Authority in line with the requirements outlined in section 2 above. The Board should establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to Board members. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.

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

### **Term of Office**

11. The term of office for Board Members will be four years, with two positions on the Board (ideally one employer and one member representative) being subject to appointment every year so as to maintain continuity of knowledge and experience.
12. To maintain continuity of knowledge and experience built up by the inaugural members of the Board, after the first four years only two positions will be considered for appointment, i.e. year 5 is first new appointment process, year 6 is second new appointment process etc. This will have the potential effect that two Board members could serve for five years and a further two for 6 years before their initial term ends.
13. There will be no restriction on existing Board Members being re-appointed to the Board following the end of their initial (or subsequent) term of office.
14. Board membership may be terminated prior to the end of the term of office in the event of:
  - (a) A member representative appointed on the basis of their membership of the scheme no longer being a member of the scheme;
  - (b) A member representative no longer being a member of the body on which their appointment relied;
  - (c) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied;
  - (d) The representative no longer being able to demonstrate their capacity to attend and prepare for meetings or to participate in required training.

### **Notice Periods**

15. Except at the end of their term of office, Board members are to give three months' notice of their resignation from the Board.

## **Meetings**

16. The Board shall meet quarterly.

17. The Chair of the Board may call additional meetings subject to giving appropriate notice in light of the matter(s) to be considered. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

## **Quorum**

18. The total number of members required to be present for a meeting to be quorate is 50% of the total membership (i.e. four attendees), to comprise at least one employer and one member representative.

## **Voting**

19. The Chair shall determine when consensus has been reached.

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

## **Support for Core Functions**

21. In support of its core functions the Board may:

- (a) make a request for information to a relevant officer of the Authority with regard to any aspect of the scheme manager function. Any such a request should be reasonably complied with in both scope and timing; and
- (b) make recommendations to the Authority, which should be considered and a response made to the Board on the outcome within a reasonable period of time.

## **Reporting**

22. The Board will produce an annual report for the Authority. The report will: highlight any areas of concern; provide details of any statutory breaches; identify any improvements required and highlight good practice.

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

## **Interpretation**

24. In these terms:

- (a) 'the Scheme' means the Firefighters' Pension Scheme; and

- (b) 'Regulations' means the Firefighters' Pension Scheme 1992 (as amended), the Firefighters' Pension Scheme 2006 (as amended) and the Firefighters' Pension Scheme Regulations 2014 (as amended) and includes the Pension Regulators Codes of Practice (as they apply to the Scheme Manager and Pension Board) and any other relevant legislation applying to the Scheme.

## **APPENDIX A TO LOCAL PENSIONS BOARD TERMS OF REFERENCE**

### **STANDARDS OF CONDUCT**

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

- (a) Should act always in the interests of the scheme and not seek to promote the interests of any stakeholder group above another.
- (b) Should demonstrate standards of conduct based on the seven “Nolan” Principles of Public Life (modified accordingly below) and consistent with the Core Values of the Devon & Somerset Fire & Rescue Service (as set out at Appendix B).

#### **1. Selflessness**

The Board should act solely in terms of assisting the Scheme Manager to discharge its obligations under the various pension legislation or regulations as may be in force. They should not act in order to gain financial or other material benefits for themselves, their family, or their friends.

#### **2. Integrity**

The Board members must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work.

#### **3. Objectivity**

The Board must act and make recommendations impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### **4. Accountability**

The Board members are accountable to the Devon & Somerset Fire & Rescue Authority (as Scheme Manager) for their actions and must submit themselves to any scrutiny requirements as may from time to time be required by the Authority.

#### **5. Openness**

The Board members should act in an open and transparent manner.

#### **6. Honesty**

The Board members should be truthful.

#### **7. Leadership**

The Board members should demonstrate and promote the above principles by leadership and example.

## APPENDIX B - DEVON & SOMERSET FIRE & RESCUE SERVICE CORE VALUES

**WE ARE PROUD TO HELP**



*We show this by...*

- Doing what we say we will do and seeing things through to the end
- Demonstrating high standards
- Working hard and doing our best to get the right outcomes
- Being motivated, keen and willing to give things a go

**WE ARE HONEST**



*We show this by...*

- Being open, clear, and realistic
- Admitting and learning from mistakes
- Showing trust and being trustworthy
- Being responsible and accountable

**WE ARE RESPECTFUL**



*We show this by...*

- Being consistent and giving credit where it's due
- Always being polite, considerate and treating people fairly
- Genuinely listening, involving and engaging others
- Being inclusive to all

**WE ARE WORKING TOGETHER**



*We show this by...*

- Understanding others needs and appreciating their demands
- Positively challenging, sharing ideas and giving feedback
- Supporting others and giving practical help and advice
- Being willing to adapt and change to get the best results

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# Devon and Somerset Fire and Rescue Authority

## Pensions – Roles and Responsibilities

### Scheme Manager (the Authority – delegated to Head of HR)

#### Role

Overall responsibility for the scheme. Scheme Manager may delegate specific activities or functions to other parties, such as administrators. However, it remains accountable for complying with the law and the overall management and administration of their scheme.

#### Responsibilities

- Ensure compliance with scheme regulations and other legislation.
- Manage risks and ensure there are adequate internal controls.
- Ensure that pension board members don't have conflicts of interest.
- Put in place effective dispute resolution procedures.
- Keep records and ensure the quality of member data.
- Communicate information to members including benefit statements.
- Publish information on Local Pension Board
- Meet employer duties related to automatic enrolment.
- Pay contributions in line with requirements in scheme regulations.
- Report late payment of contributions.
- Keep and provide data to administrator.
- Meet the Pensions Regulator's reporting requirements, e.g. completing scheme returns.
- Report breaches to the Pensions Regulator where required.

### Administrator

#### Role

Carry out day-to-day functions of running the scheme for the Scheme Manager.

#### Responsibilities

- Keep records
- Collect contributions.
- Pay net benefits to members.
- Calculate deductions as appropriate and report these to HMRC
- Report breaches to the Pensions Regulator where required

## Local Pension Board

### Role

To assist the Scheme Manager.

### Responsibilities

- To help the scheme manager to comply with Scheme regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme.
- To help the Scheme Manager ensure the effective and efficient governance and administration of the Scheme.
- To report breaches of the law to the Pensions Regulator.
- To provide assurance to the Scheme Manager on pensions administration, including monitoring of KPIs.
- To ensure that Board members have requisite knowledge and understanding of: scheme rules; documents setting out scheme administration; policies; and pension law.
- To produce an Annual Report for the Authority.

## Local Pension Board Members

### Role

At all times act in a reasonable manner in the conduct of the Board's purpose.

### Responsibilities

- Act always in the interests of the scheme and not seek to promote the interests of any stakeholder group above another.
- Demonstrate standards of conduct based on the seven "Nolan" Principles of Public Life, modified accordingly and as appended to this document.
- Demonstrate capacity to attend (and complete the necessary preparation for) Board meetings.
- Commit to developing the requisite knowledge and understanding of: scheme rules; documents setting out scheme administration; policies; and pension law and participate in training as required.
- To declare potential conflicts of interest

## Local Pension Board Chair

### **Role**

To plan each meeting effectively and to conduct them according to the constitution; ensuring that matters are dealt with in an orderly and efficient manner; and that there is full participation during meetings.

### **Responsibilities**

- To ensure that all Board members show due respect for process, that all views are heard and considered and that decisions on recommendations are democratically made where consensus cannot be reached.
- To uphold and promote the purpose of the Board and to interpret its Terms of Reference when necessary.
- To ensure that Board members have the knowledge and skills to undertake the role, and maintain a training record.
- To ensure that Board members record conflicts of interest.
- To arrange professional advice for the Board as required, subject to agreement by the Clerk to the Authority.
- To agree the agenda and approve the minutes for Board meetings.
- To write reports as required by the Authority on the work of the Board.
- To annually review the performance of the Board and complete an Annual Report for the Authority.
- The decision of the Chair on all points of procedure, order and the Terms of Reference shall be final.

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## DEVON & SOMERSET FIRE & RESCUE AUTHORITY

### LOCAL PENSIONS BOARD

<b>DATE OF MEETING</b>	<b>17 March 2021</b>
<b>SUBJECT OF REPORT</b>	<b>SCHEME MANAGER UPDATE</b>
<b>REPORT AUTHOR</b>	<b>HR Rewards &amp; Benefits Manager</b>
<b>EXECUTIVE SUMMARY</b>	This report provides a summary of current pension matters both nationally and locally which have required input from the Service. This report should also be considered in conjunction with the regular monthly Bulletins which are issued by the Firefighters' Pensions Scheme Advisory Board.

## **1. INTRODUCTION**

- 1.1. This is the update report from the Devon & Somerset Fire & Rescue Authority (the Authority) delegated Scheme Manager for the Authority's Local Pension Board (the Board). The Scheme Manager is defined as being the Fire and Rescue Authority under The Firefighters' Pension Scheme (England) Regulations 2014. However, the Scheme Manager may delegate any functions under these Regulations. The Authority has set out in the Discretions Policy where decisions will need to be taken by the Authority. The day-to-day managing and administering of the pension schemes and any statutory scheme that is connected with them, is delegated to the Head of Human Resources.
- 1.2. The Board provides a number of functions as set out in the Terms of Reference, which include: assisting the Scheme Manager to ensure compliance with the relevant regulations and the efficient and effective management of the pension administration; advising on member communications; and monitoring complaints.
- 1.3. This report provides a summary of current pension matters both nationally and locally and further updates will be provided at subsequent Board meetings.

## **2. PENSION SURVEYS & ANNUAL RETURNS**

- 2.1. Since the last meeting, the Pension Regulator's annual return has been submitted by WYPF on behalf of the Service for all pension schemes that the Service is associated with. This was completed prior to the deadline of 15 December 2020.
- 2.2. The results of the Pension Regulator Public Service Governance & Administration Survey 2019 have been published and can be found [here](#). The main headline from this as reported within FPS Bulletin 41 is that, in 2019, 55 per cent of Firefighters' schemes across the UK reported having all six processes in place. This was a reduction from 63 per cent in 2018. The LGA has refreshed its [six key processes factsheet](#) to reflect the most recent results and to provide guidance.
- 2.3. The Service has also responded to the Pension Regulator Public Service Governance & Administration Survey 2020.

## **3. PENSION COMMUNICATIONS**

- 3.1. A communication was issued to staff on 4 February 2021 noting that the Government had responded to the consultation to address the discrimination identified in the McCloud/Sargent case. The communication noted that the changes would take some time to implement and referred staff to the Age Discrimination Remedy page on the LGA website which can be found [here](#). More detail on the Government's response is in section 4 of this report.
- 3.2. In response to the growing number of enquiries regarding the McCloud Sargent case, the creation of a central repository of frequently asked questions has been raised with the LGA, who have asked us to send in any questions arising that have not already been covered.

## 4. **PENSION PROJECTS**

### ***Transition Protection Judgement***

- 4.1. On 4 February 2021, the Government published its response to the consultation on the proposals to remove the discrimination identified in the McCloud/Sargent case. Some of the key points from this are as follows:
- The Government believes it is not fair to move all of those in scope for remedy back into the legacy schemes, as many scheme members are likely to be better off in the 2015/reformed scheme.
  - Eligible members will be given the choice of whether to take legacy or reformed pension scheme benefits for the remedy period, which is between 1 April 2015 and 31 March 2022, using the deferred choice underpin (DCU) option. This means that eligible members will make their choice shortly before benefits are paid. This is irrespective of whether they have submitted a legal claim or not, or whether they are currently an active, deferred or pensioner member.
  - The Government's response made it clear that the choice for the remedy period is for either legacy scheme or reformed scheme benefits, and not a mix of aspects from one or the other.
  - The Government will need to bring forward new primary legislation when parliamentary time allows; pension scheme regulations will also need to be amended and will be subject to further consultation on a scheme by scheme basis.
  - Those who have already retired and/or received a pension award will be offered a choice, which will be applied retrospectively back to the date the award was made, as soon as is practicable after the required legislative and process changes can be made.
  - The Government believes that by deferring the choice most members will have greater certainty over their benefit entitlements when making the decision and that, in most cases, there would be no financial advantage to members in being able to make an immediate choice. They have noted, and will be considering whether further mitigating measures may be available, for the potential for contribution deficits to arise depending on the benefits ultimately selected.
  - The Government acknowledged the scale of the administrative challenge that DCU presents and, before schemes and administrators can progress the introduction of new processes and IT systems to deliver this, further technical policy decisions need to be made, and further legislation needs to be passed. The primary legislation will state that retrospective changes must be introduced by 1 October 2023.

- There are many complex tax implications from this and the Government indicated that, where possible, they would take proportionate steps to minimise the administrative burden on members. Tax issues referenced in the response include impacts & potential charges relating to the annual allowance, and also tax adjustments that may become due following the decision. The impacts on members who retire or receive benefits before the introduction of DCU are also covered.
- Anybody remaining in service from 1 April 2022 will do so as a member of the reformed scheme, regardless of age or any other factor.

- 4.2. Over the coming months the LGA intend to work with the relevant government departments to review the implications of the Government's response. They are also looking at ways to support FRAs, which will include some formal training events and meaningful member communications. Information regarding the data requirements has been issued as part of FPS Bulletin 42.
- 4.3. The Home Office issued some informal guidance on 21 August 2020 regarding the treatment of immediate detriment cases. This is not an endorsement by them to proceed in dealing with cases and this is a matter for FRAs to decide. The LGA is seeking additional input from HMT and the HO on this matter given the decision around remedy and policy decisions that are yet to be taken.
- 4.4. Legal advice will be sought collectively by FRA's with regard to immediate detriment cases. Given that the FBU commenced legal proceedings in the High Court on 3 March 2021 in order to force Fire and Rescue Authorities (FRAs) to pay retired members, this might force the issues that legal opinion was being sought on. The LGA's information note on immediate detriment can be found here.
- 4.5. It had been argued that FRAs were obliged by legislation to act as they did in implementing the pension transitional arrangements. This point was reviewed by the Employment Appeals Tribunal and a judgement was handed down on 12 February 2021.
- 4.6. The judgement was that both the Government and FRAs were responsible because FRAs could have made alterations to the scheme to avoid discrimination in accordance with section 62 of the Equality Act 2010. A relevant extract from the Tribunal paper is as follows:

*Upon the proper construction of section 62 of the Equality Act 2010 the appellants have vested in them the power to pass a resolution making non-discrimination alterations to the scheme of which they are managers in respect of those members who were last employed by them. In that respect, also, they were not obliged by a statutory requirement to discriminate against the Claimants on the grounds of age and so, by that route too, are unable to avail themselves of the statutory defence provided by paragraph 1(1) of Schedule 22.*

### ***O'Brien vs Ministry of Justice***

- 4.7. This case is often referred to as Matthews or O'Brien but is now titled by the SAB as the Special Members of FPS 2006 - Second options exercise. Further information on this has been provided through the LGA within an information note that can be found here. There are no updates regarding this case since the last meeting.

### ***Fixed-Term Contracts and eligibility to join the FPS***

- 4.8. Steve Pope attended the SAB meeting on 10 December 2020 to discuss eligibility to join the FPS for those on fixed term contracts, noting that they would not have adequate compensation benefits if they were only entitled to use the LGPS when employed by Services. He requested access to the legal advice that the SAB had commissioned about this. The outcome was that it was confirmed that temporary employments are not pensionable. It was agreed that the legal advice would be put into a note which confirms the position so that FRA's could use this to get individual advice on this matter. The SAB did not provide a timeline for this to be done but the timeframe has been requested via the LGA.

### ***Public Sector Exit Payments Regulations 2020***

- 4.9. The Restriction of Public Sector Exit Payments Regulations 2020, which came into force on 4 November 2020 and set a cap of £95,000 on exit payments for public sector organisations, has been revoked by the Government after a review found the cap may have had unintended consequences.
- 4.10. The regulations had limited application for the FPS, as exemptions applied to two of the exit payments which would have otherwise fallen within the scope of the £95,000 cap. These related to enhanced commutation (FPS 1992) and Authority Initiated Early Retirement (AIER) (FPS 2006 and FPS 2015) on fitness grounds.

## **5. REPORTING BREACHES OF LAW**

- 5.1. Within the Board's Reporting Breaches Procedure, Section 70 of the Pensions Act 2004 (the Act) is referenced. This requires that, where a person has reasonable cause to believe that:
- (a) a duty which is relevant to the administration of the scheme in question, and is imposed by virtue of an enactment or rule of law, has not been or is not being complied with; and
  - (b) the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions

then they must give a written report on the matter to the Regulator as soon as is reasonably practicable.

- 5.2. There have been no breaches reported since the last Local Pension Board meeting.

**6. INTERNAL DISPUTE RESOLUTION**

- 6.1. Within the Firefighters' Pension Scheme formal complaints are made via the Internal Disputes Resolution Procedure (IDRP). There have been no new complaints under this procedure since the last Local Pension Board meeting.

**7. PENSION ADMINISTRATOR QUALITY OF SERVICE**

- 7.1. The Service continues to have an excellent working relationship with WYPF and both sides are continuing to seek to improve the arrangements that are in place.

**CAROLINE GOURLAY**  
**HR Rewards & Benefits Manager**

## DEVON & SOMERSET FIRE & RESCUE AUTHORITY

### LOCAL PENSIONS BOARD

<b>DATE OF MEETING</b>	<b>17 March 2021</b>
<b>SUBJECT OF REPORT</b>	<b>UPDATE ON POTENTIAL KEY PERFORMANCE INDICATORS FOR THE SERVICE AND BOARD</b>
<b>REPORT AUTHOR</b>	<b>Human Resources Reward &amp; Benefit Manager</b>
<b>EXECUTIVE SUMMARY</b>	This paper provides an update on the Key Performance Indicators (KPI's) for the Scheme Manager and the Board.

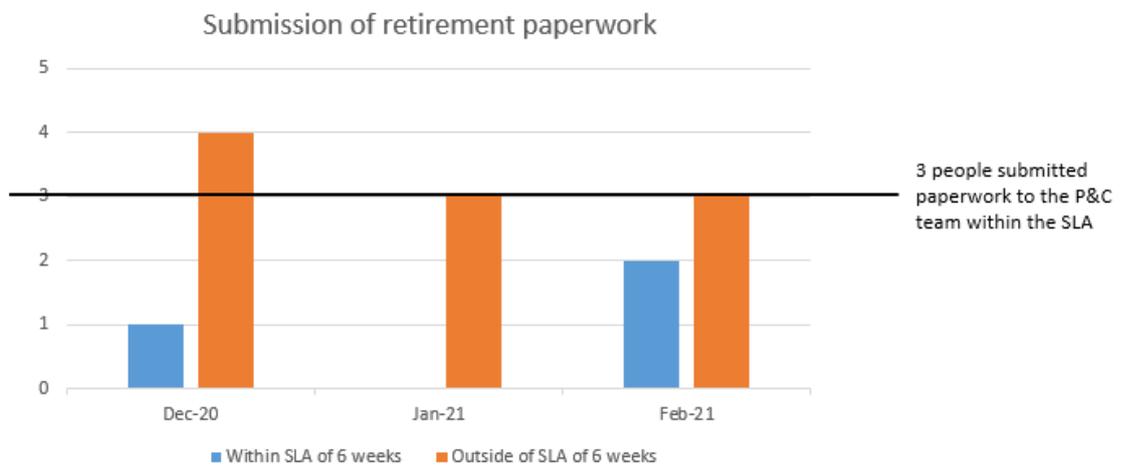
1.1. Below is a progress update regarding the KPI's. Items (a) and (b) are now established and in place.

(a). **Submission of monthly pension reporting to WYPF by the last day of the month:**

This KPI has been achieved for each of the 6 months that it has been in place, as detailed below:

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
(b)	18-Sep-20	27-Oct-20	10-Nov-20	23-Dec-20	20-Jan-21	19-Feb-21

**otifications of retirement and timeframes on this (e.g., for a WT staff member, the Service should notify WYPF at least 6-weeks before retirement):**

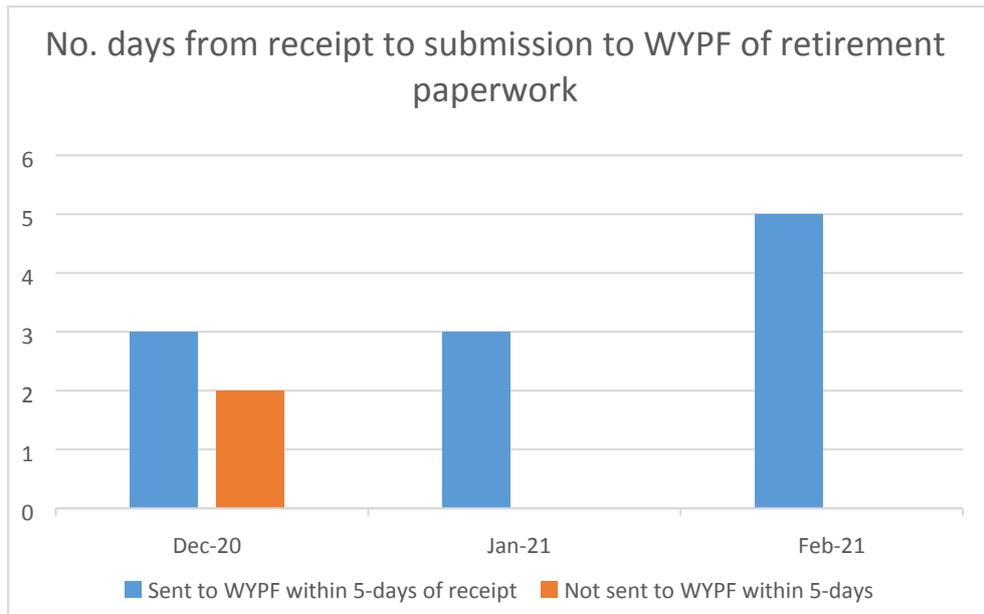


This SLA has been being monitored since December 2020 and over the 3 month period, paperwork was submitted to WYPF within the timeframe of 6-weeks 3 times out of 13 (23% of the time).

Some context to this is that most staff are required to give 1 months' notice of their intention to leave. Whilst staff are encouraged to provide more notice than this if retiring, they are not contractually obliged to.

To mitigate this, a communication will be issued to remind staff to give as much notice as possible to enable WYPF to complete the actions needed for retirement.

As a secondary point within this KPI, the number of working days from receipt of the paperwork by the Pay & Conditions team to sending the retirement request to WYPF, with a target of 5-days, has been measured. Based on activity within this period, the P&C team submitted the retirement requests within 5-days of receipt in all but 2 instances. The Christmas break was a factor in both.



1.2. Work is ongoing with regard to the remaining three proposed KPI's detailed below:

(a). Ill-health retirement process and timescales:

The process for ill health early retirement cases involves multiple external stakeholders, e.g., occupational health, the IQMP and, sometimes other medical professionals. A review of SLA's with these stakeholders is underway to determine appropriate timelines for KPI's.

The proposed KPI of 3 weeks for submission of ill health early retirement forms to Occupational Health was reported at the last meeting. Methods of monitoring this are being examined.

- (b). Something about estimates and the timeframe from the request being made by the staff member to WYPF having all of the necessary information to process it;
- (c). Something about the number of follow up queries made of the Service by WYPF following submission of requests to them.

**CAROLINE GOURLAY**  
**HR Reward and Benefits Manager**

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## Local Pensions Board - Risk Register v1.08 - Change of delegated scheme manager

Ref	Context/Causational trigger	Hazard (anything that may cause harm)	Impact (who/what may be harmed and how)	Gross Impact	Gross Likelihood	Gross Risk Score	Controls in place	Net Impact	Net Likelihood	Net Risk Score	Further controls required	Target Impact	Target Likelihood	Target Risk Score	Control Owner	Risk Owner
LPB001	Cyber attack	Complete loss of systems	Catastrophic loss of capability	5	4	20	1. Technological security tested in recent Pen Test 2. Cyber attack plan 3. BC plans (incl ICT) 4. Staff awareness 5. Additional comms to staff 6. BC exercise 2 Dec 2019	4	3	12	7. Evidence of BC plan for WYPF	3	3	9	1. Head of ICT 2. Head of ICT 3. HR R&B Mngr & HoICT 4. HR Reward & Benefits Manager 5. HR Reward & Benefits Manager 6. HR R&B Mngr & HoICT 7. HR Reward & Benefits Manager	Mike Pearson
LPB002	System failure	Temporary loss of systems	Systems unavailable until recovered and potential loss of data	4	3	12	1. BC Plan (incl ICT) 2. Departmental BC plans reviewed 3. Additional comms to staff 4. BC exercise 2 Dec 2019	3	3	9	5. Evidence of BC plan for WYPF	3	3	9	1. HR R&B Mngr & Ho ICT 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager 4. HR R&B Mngr & HoICT 5. HR Reward & Benefits Manager	Mike Pearson
LPB003	Power supply failure	Temporary loss of systems	Systems unavailable until recovered	3	3	9	1. BC Plan (incl ICT, HR & Finance) 2. Departmental BC plans reviewed 3. Access to alternative locations 4. Back-up generator available	2	3	6	None at this time	2	3	6	1. Heads of ICT, Finance & HR R&B Mngr 2. Heads of ICT, Finance, Estates & HR R&B Mngr 3. Head of Estates 4. Head of Estates	Amy Webb
LPB004	Loss of premises	Loss of utilities or access to premises due to industrial action	Inability for staff to undertake work	3	3	9	1. BC Plan (incl ICT) 2. Departmental BC plans reviewed 3. Access to alternative locations and working from home	2	3	6	None at this time	3	2	6	1. Head of ICT & HR R&B Mngr 2. Heads of ICT; Finance; Estates & HR R&B Mngr 3. Ho ICT/Estates	Amy Webb
LPB005	Member data incomplete or inaccurate	Incorrect pension calculations and Annual Benefit Statements and incorrect reporting to Home Office and The Pension Regulator	Pensioners may receive incorrect pensions Breaches of pension regulations	3	4	12	1. Payroll data for active members is provided by Pay & Conditions on a monthly basis to WYPF 2. Active members, deferred members and pensioners have an online account and can check their information 3. A data reconciliation exercise has been undertaken with GAD. 4. Address data cleanse completed annually and any address found to be incorrect or not known are investigated using a tracing agency.	2	2	4	None at this time	2	2	4	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager 4. HR Reward & Benefits Manager	Caroline Gourlay
LPB006	Administration process failure/ maladministration	Pension administration not undertaken to the required standard	Pensioners may receive incorrect pensions Breaches of pension regulations Fraud by admin staff Fraudulent payments Failure of bank account to make payment Incorrect taxation of benefits	3	4	12	1. Pension SLA in place with KPIs 2. Scheme of delegation in place 3. Regular communication with administrator 4. WYPF have significant experience of administering a number of Fire Authorities. 5. Within P&C, we have a settled team who are competent in role. 6. Trend lines within WYPF monthly reports for key measures 7. WYPF to report on the agreed KPIs	2	2	4	8. Review Pension Administrator's audit reports	2	2	4	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager 4. HR Reward & Benefits Manager 5. HR Reward & Benefits Manager 6. HR Reward & Benefits Manager 7. HR Reward & Benefits Manager 8. Head of Finance	Amy Webb
LPB007	Annual Benefit Statement (ABS) not produced in time	There are required deadlines for a pension administrator to complete the Annual Benefit Statements in line with required timescales by TPR.	ABS not received by member and likely to be a reportable breach	3	4	12	1. Pension data from P&C now available on a monthly basis including yearend data 2. WYPF developing an automated system for ABS statements for the Modified Pension Scheme	2	2	4	None at this time	2	2	4	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager	Caroline Gourlay
LPB008	Excessive charges by Pension Administrator	Unplanned increases in charges	Additional pressure on the budgetary efficiency of the Service	3	4	12	1. Contracts are controlled by OJEU rules and the contract is subject to renewal on a 5 year basis with the option for an extension for 1-2 years. 2. Contract prices and any adhoc scenarios where additional charges may be incurred are included in the contract terms.	2	2	4	None at this time	2	2	4	1. Head of Finance 2. Head of Finance	Amy Webb

## Local Pensions Board - Risk Register v1.08 - Change of delegated scheme manager

Ref	Context/Causational trigger	Hazard (anything that may cause harm)	Impact (who/what may be harmed and how)	Gross Impact	Gross Likelihood	Gross Risk Score	Controls in place	Net Impact	Net Likelihood	Net Risk Score	Further controls required	Target Impact	Target Likelihood	Target Risk Score	Control Owner	Risk Owner
LPB009	Officers or Members acting outside of delegated responsibility	Officers or Members either deliberately or unknowingly acting outside of their delegated responsibility	Additional financial implications for the pension schemes or breach of the pension regulations	3	4	12	1. Authority Members have agreed an approved Scheme of Delegation and financial limits for decisions associated with the pensions. 2. A Pensions Discretions Policy is in place. 3. Officers are competent in pension matters and receive CPD training 4. Support and advice is available through the WYPF Client Manager and the LGA Pension Advisors	2	2	4	None at this time	2	2	4	1. Dem Services Manager 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager 4. HR Reward & Benefits Manager	Mike Pearson
LPB010	Employer fails to deduct correct pension contributions from members	Incorrect pension contribution being recorded and collected	Active pensioners and DSFRS have to backdate pension contribution arrears	3	4	12	1. Pension deductions and rules are set within the payroll system based on earnings 2. New joiners are entered into the applicable pension scheme 3. Staff who have opted-out are auto-enrolled into the applicable pension scheme unless they opt-out again 4. Reconciliation of deduction carried out by Finance on a monthly basis 5. Internal audit review deductions as part of audit scope	2	2	4	None at this time	2	2	4	1. Head of Finance 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager 4. Head of Finance 5. Head of Finance	Amy Webb
LPB011	Failure by the Pension Administrator to interpret rules or legislation correctly	Incorrect pension calculations and estimates	Incorrect pensions received and either backdated employer and employee contributions required or overpayments collected.	3	4	12	1. Regular attendance at pension training and update events by WYPF. 2. Regular monitoring of key sources of information e.g. LGA Bulletins, Scheme Advisory Board. 3. DSFRS have regular client meetings with WYPF and scrutinise pension changes	2	2	4	None at this time	2	3	6	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager	Caroline Gourlay
LPB012	Annual Statutory Accounts criticised by external auditors / The Pension Regulator	Major issues exist with the Management and Administration, and/or accounting for the Firefighter Pension Schemes	Reputational damage to the Service. Dissatisfaction from staff in the service they receive.	3	4	12	1. Trained, experienced officers produce the accounts to a detailed timescale. 2. Pension data for the accounts is provided by the Governments Actuary Departments (GAD). 3. Advice available from the Fire Finance network, LGA and Pension Administrator	2	2	4	None at this time	2	2	4	1. Head of Finance 2. Head of Finance 3. Head of Finance	Amy Webb
LPB013	Failure to communicate with staff concerning significant changes to pension arrangements	Pension members not receiving correct information	Members could make key pension decisions with inadequate information available to them	3	4	12	1. Regular attendance at LGA pension training events. 2. Regular monitoring of key sources of information e.g. LGA Bulletins, Scheme Advisory Board. 3. Client meetings with WYPF and scrutiny of pension changes 4. Ensure information on the impact of promotions to the Annual Allowance is made clear to staff.	1	2	2	None at this time	1	2	2	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager 4. HR Reward & Benefits Manager	Caroline Gourlay
LPB014	Court of Appeal decision on unlawful discrimination from Transitional arrangements for transfer from the 1992 to 2015 (McCloud/Sargent case)	2015 scheme members will need to be transferred back to their preferred pension scheme	Significant pension administration in making back-dated adjustments to pensions. Implementation of the remedy may be problematic due to data gaps following transfer of payroll and pensions providers	3	5	15	1. Employers will be represented at the ET. 2. Ensuring that historic data that might be required is retained to help manage any potential remedy 3. Pension reserve in place to support administration costs 4. Accessing information from LGA to ensure we are fully informed 5. Receiving updates from Fire Finance Network and national reps	2	5	10	6. Consideration of data retention pending remedy 7. Ability to take on additional staff to support administration (pending reserve)	2	5	10	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager 3. Head of Finance 4. HR Reward & Benefits Manager 5. Head of Finance 6. HR Reward & Benefits Manager 7. HR Reward & Benefits Manager	Amy Webb
LPB015	Court of Appeal decision on unlawful discrimination for Part-time workers prior to 2000 (O'Brien/Matthews case)	Pension entitlement prior to 2000 will need to be calculated and a repayment scheme made available (similar to 2006 modified exercise)	Significant pension administration in making back-dated adjustments to pensions. Implementation of the remedy may be problematic due to data gaps following transfer of payroll and pensions providers (and potential to go back to 1976 service)	3	5	15	1. Employers will be represented at the ET. 2. Ensuring that historic data that might be required is retained to help manage any potential remedy 3. Pension reserve in place to support administration costs 4. Accessing information from LGA to ensure we are fully informed 5. Receiving updates from Fire Finance Network and national reps	2	5	10	6. Consideration of data retention pending remedy 7. Ability to take on additional staff to support administration (pending reserve)	2	5	10	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager 3. Head of Finance 4. HR Reward & Benefits Manager 5. Head of Finance 6. HR Reward & Benefits Manager 7. HR Reward & Benefits Manager	Amy Webb
LPB016	COVID-19 Pandemic	Pension scheme administration cannot be undertaken	Increase in administration of pensioner records and administrator absence due to illness	3	5	15	1. Working at home arrangements 2. HR Business continuity plans 3. Government guidance on healthy workplaces	2	3	6	4. WYPF business continuity arrangements (received not yet reviewed)	2	3	6	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager 4. HR Reward & Benefits Manager	Caroline Gourlay

## Local Pensions Board - Risk Register v1.08 - Change of delegated scheme manager

Ref	Context/Causational trigger	Hazard (anything that may cause harm)	Impact (who/what may be harmed and how)	Gross Impact	Gross Likelihood	Gross Risk Score	Controls in place	Net Impact	Net Likelihood	Net Risk Score	Further controls required	Target Impact	Target Likelihood	Target Risk Score	Control Owner	Risk Owner
LPB017	Loss of Key Staff	Single points of failure	Pensioners may receive incorrect pensions Breaches of pension regulations	3	4	12	1. Head of HR supported by Rewards and Benefits Manager 2. Pension SLA in place with KPIs 3. Scheme of delegation in place 4. WYPF has an experienced team 5. P&C has an experienced team. 6. WYPF to report on the agreed KPIs	2	2	4	None at this time	2	2	4	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager 4. HR Reward & Benefits Manager 5. HR Reward & Benefits Manager 6. HR Reward & Benefits Manager	Caroline Gourlay
LPB018	GDPR Breach	Failure to comply with GDPR	Prosecution, fines, enforcement notices, civil action, reputational damage.	3	4	12	1. GDPR impact assessments conducted by DSFRS as part of GDPR prep 2. GDPR requirements included in pensions administration contract 3. Data sharing agreements in place with WYPF 4. Staff induction and CPD includes GDPR	2	2	4	None at this time	2	2	4	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager 4. HR Reward & Benefits Manager	Caroline Gourlay
LPB019	Failure of LPB members to maintain knowledge and understanding to required level	Failure of LPB to discharge its statutory functions	Breaches of the law. Action by TPR. Reputational damage	3	3	9	1. LPB induction includes: TPR CoP 14; TPR e-learning; and LGA training 2. Attendance at LGA Annual Fire Pensions Conference 3. Regular LPB meetings 4. LPB meetings include a training topic to reinforce learning or generate debate	2	2	4	5. TNA and individual training plans	2	1	2	1. HR Reward & Benefits Manager 2. HR Reward & Benefits Manager 3. HR Reward & Benefits Manager 4. HR Reward & Benefits Manager 5. HR Reward & Benefits Manager	Mike Pearson
LPB020	Employer incorrectly enrolls an employee into the Firefighter's Pension scheme	Failure to auto enrol in an appropriate pension scheme resulting a breach of the law from incorrect application of pension rules and incorrect deductions from pay	Fines or other action by the Pension Regulator. Reputational damage. Staff dissatisfaction and complaints take up management time.	3	4	12	1. P&C staff informed that only FF on permanent contracts can be enrolled in the FFPS. 2. P&C staff informed to not include the FFPS in the offer letter for FF on FTCs but to include the LGPS. 3. Auto enrolment for FF on temporary contacts will only be applied under the LGPS.	2	2	4		2	2	4	1. HR Reward & Benefits Manager	Caroline Gourlay

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## Public service governance and administration survey 2019

### Research report

Prepared for The Pensions Regulator (TPR)

By OMB Research (OMB)

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## Contents

<b>1. Executive summary.....</b>	<b>1</b>
1.1 Key processes .....	1
1.2 The pension board.....	2
1.3 Managing risk .....	3
1.4 Administration and record-keeping.....	3
1.5 Cyber security.....	5
1.6 Data reviews.....	5
1.7 Annual benefit statements.....	6
1.8 Resolving issues.....	6
1.9 Reporting breaches.....	6
1.10 Addressing governance and administration issues .....	7
1.11 Perceptions of TPR.....	7
<b>2. Introduction .....</b>	<b>8</b>
2.1 Background.....	8
2.2 Communications activities.....	8
<b>3. Methodology.....</b>	<b>9</b>
3.1 Sampling.....	10
3.2 Fieldwork .....	10
3.3 Respondent profile.....	10
3.4 Analysis and reporting conventions.....	11
<b>4. Research findings.....</b>	<b>13</b>
4.1 Scheme governance .....	13
4.2 Managing risk .....	25
4.3 Administration and record-keeping.....	29
4.4 Cyber security.....	42
4.5 Data reviews.....	45
4.6 Annual benefit statements.....	50
4.7 Resolving issues.....	53
4.8 Reporting breaches.....	56
4.9 Addressing governance and administration issues .....	59
4.10 Perceptions of TPR.....	61

## 1. Executive summary

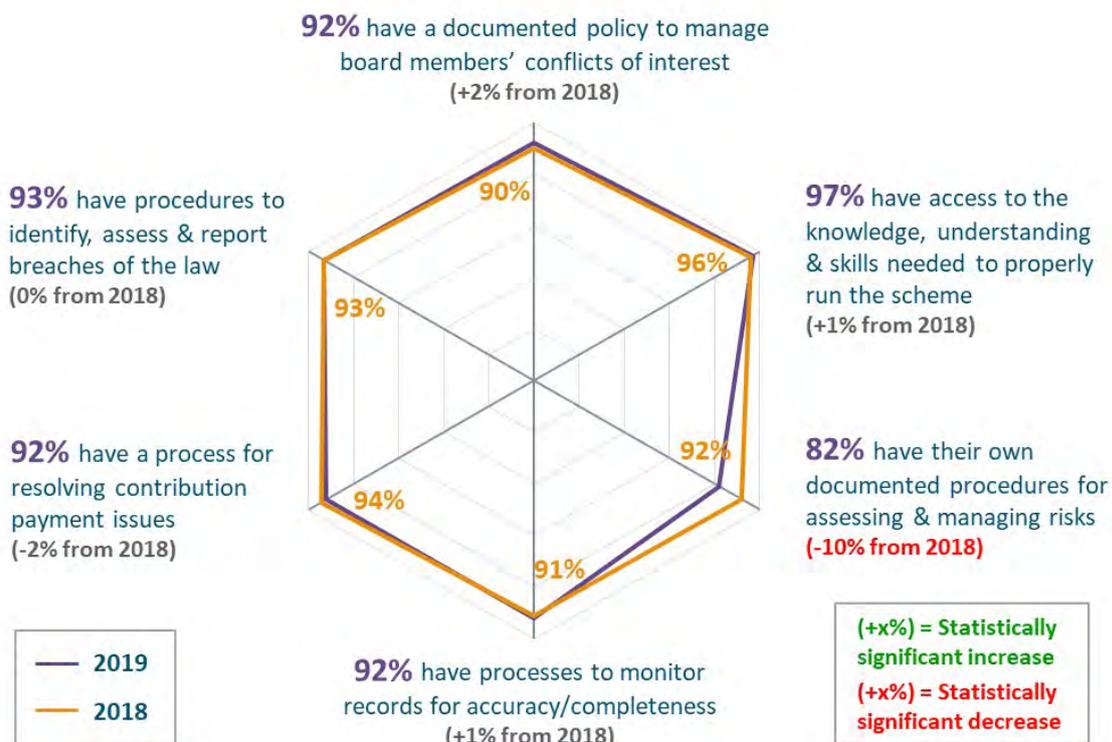
### 1.1 Key processes

Results for the key processes that TPR monitors as indicators of public service scheme performance were unchanged since 2018, aside from a decrease for risk management which was probably due to a change in the question. Approaching two-thirds (64%) of schemes had all six processes in place.

Results were consistent with the 2018 survey for five of the six key processes, with between 92% and 97% of schemes having these in place.

While the proportion of schemes with documented procedures for assessing and managing risks fell from 92% in 2018 to 82% in 2019, this was likely due to a questionnaire change in 2019. In previous years schemes were simply asked whether they had documented procedures for assessing and managing risk, whereas in 2019 they were asked if they had their 'own' documented procedures and were instructed to answer 'no' if they instead relied on their local authority's procedures.

**Figure 1.1.1 Schemes' performance on key processes**



Approaching two-thirds (64%) of schemes had all six of these key processes in place, together representing 71% of all memberships. This represents a decrease from 2018 (when 74% of schemes had all six), but this is again probably due to the change in the risk management question in 2019.

Approaching three-quarters (73%) of ‘Other’<sup>1</sup> schemes and around two-thirds of Local Government (68%) and Police (64%) schemes had all six processes in place. This proportion was lowest for Firefighters’ schemes (55%).

## 1.2 The pension board

**Over half of schemes held four or more pension board meetings in the previous 12 months<sup>2</sup>, an increase from 2018. The mean number of current board members at the time they completed the survey was 6.9.**

Schemes held an average of 3.5 board meetings in the previous 12 months, with 57% reporting that they held four or more (+7 percentage points on 2018) and 17% that they met twice or less. ‘Other’ schemes were most likely to have held at least four board meetings in the previous 12 months (82% had) and Firefighters’ schemes least likely (31% had).

On average 95% of board meetings were attended by the scheme manager or their representative, similar to 2018.

Two-thirds (67%) of schemes had more than five current board members at the time they completed the survey, and the mean number was 6.9. Just over a quarter (27%) of schemes had at least one vacant position on the board. Eight schemes (4%) reported that they had fewer current board members at the time they completed the survey than specified by their respective regulations<sup>3</sup>.

Over half (54%) of schemes had a succession plan for members of the pension board, rising to 80% of Police schemes.

In approaching two-thirds (61%) of schemes, the scheme manager had delegated responsibility for day-to-day decision making to another person. This was least likely to be the case for Local Government schemes (43%).

The majority of schemes (89%) felt that, over the previous 12 months, their pension board had been able to access all the information about the operation of the scheme that it needed to fulfil its functions. The vast majority also believed the board was able to obtain sufficient specialist advice on administration (99%) and legal matters (98%), but there was slightly less consensus on cyber-security (87%).

Three-quarters (76%) of schemes evaluated the board’s knowledge, understanding and skills at least annually, a decline from the 82% seen in

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<sup>1</sup> Centrally administered unfunded schemes, ie excluding relevant Local Government, Firefighters’ and Police schemes.

<sup>2</sup> TPR sets an expectation that the governing boards of pension schemes should meet often enough to maintain effective oversight and control, which in most cases will be at least quarterly.

<sup>3</sup> Six of these eight schemes reported that they had vacant positions on their board at the time they completed the survey. If these vacant positions were filled, then each of these six schemes would have met the minimum requirement for the number of pension board members for their type of scheme. The remaining two schemes that had fewer current board members at the time they completed the survey than required by their regulations were both Police schemes that did not report any vacant positions.

2018. This fall was driven by Police schemes, 60% of which evaluated the board at least annually (down from 82% in 2018). On average, pension board members received 11 hours of training per year in relation to their role on the board.

### 1.3 Managing risk

**While the use of risk registers was consistent with the 2018 findings, the proportion with procedures for assessing and managing risks fell, probably due to a change to the question. A third of schemes had reviewed their exposure to new and existing risks at four or more board meetings in the previous 12 months.**

Although most schemes (82%) said they had documented procedures for assessing and managing risks, this was lower than the 92% in 2018. This is probably due to a change in the survey question: in previous years schemes were simply asked whether they had documented procedures for assessing and managing risk, whereas this time they were asked if they had their 'own' documented procedures and were instructed to answer 'no' if they relied on their local authority's procedures. This is seen by the fall being primarily driven by Local Government schemes, where 80% said they had their own documented procedures compared with 96% in 2018 saying they had documented procedures.

Overall, 93% of schemes had their own risk register, consistent with the 94% seen in 2018. On average, schemes' exposure to new and existing risks had been reviewed at three-quarters (77%) of the pension board meetings held in the previous 12 months. Just over a third (35%) of schemes reported that risk exposure had been reviewed at four or more board meetings over this period.

Firefighters' schemes were less likely to have comprehensive risk management processes than the other types of public service scheme; 76% had their own documented procedures for assessing and managing risks, 86% had their own risk register and 20% had reviewed risk exposure at four or more board meetings in the previous 12 months.

### 1.4 Administration and record-keeping

**Three-quarters of schemes had an administration strategy and, as in 2018, administration was included on the agenda at the majority of board meetings. Schemes typically used a range of approaches to measure administrator performance.**

Most schemes (76%) had an administration strategy in place, although this was less widespread among Firefighters' schemes (57%). On average, administration was included on the agenda at 89% of the board meetings held in the previous 12 months (+3 percentage points on 2018), rising to 100% for 'Other' schemes.

The most common method used to measure administrator performance was comparing this against service level agreements or service schedules (85%).

The majority of schemes also assessed complaints volumes and trends (70%) and audited administration functions and systems (66%). 'Other' schemes used the widest range of measures, whereas Firefighters' schemes primarily relied on performance against service level agreements or service schedules and were less likely to also use other methods.

**Most key administration processes were automated to at least some extent. The main barriers to further automation related to integration with existing systems, lack of technology and costs.**

Full automation of key administration processes was relatively uncommon, but some degree of automation was more widespread. The production of benefit statements was most likely to be automated, with no schemes doing this entirely manually.

However, the reporting of complaints and issues was typically a manual process (73% of schemes did this entirely or mainly manually). In addition, two-fifths (40%) of schemes indicated that reconciliation of contributions was primarily done manually, and around a fifth said that verification and input of employer data (22%) and monitoring workload and resourcing (21%) were also primarily manual processes.

When asked what barriers they faced to automating more of the scheme's processes, the most common responses were difficulty in integrating it with their existing systems (39%), a lack of suitable technology (36%), the initial set-up costs (28%) and the poor quality of their data (20%).

**Four in ten schemes (40%) said all their employers always provided timely data and a similar proportion (37%) said they always provided accurate and complete data, consistent with the 2018 results.**

These proportions were lower for multi-employer schemes than single employer schemes. Less than one in ten (6%) multi-employer schemes said all their employers always provided timely data compared with nine in ten (89%) single employer schemes. Similarly, 3% of multi-employer schemes said all their employers always provided accurate and complete data compared with 84% of single employer schemes.

**As in 2018, comparatively higher proportions reported that all their employers submitted data monthly (56%) and electronically (69%).**

There were similar differences between multi-employer and single employer schemes, although to a lesser extent. Four in ten (39%) multi-employer schemes said all their employers submitted data monthly compared with eight in ten (80%) single employer schemes. Just over half (54%) of multi-employer schemes said all their employers submitted data electronically compared with nine in ten (92%) single employer schemes.

## 1.5 Cyber security

### **Schemes had a greater range of cyber risk controls in place than in 2018.**

Schemes were asked about 14 specific cyber controls and four-fifths (82%) had at least half of these in place, up from three-quarters (74%) in 2018.

For 11 of the 14 cyber controls, the overall proportion of schemes with these in place was higher than in 2018. The greatest increases were seen for the pension board receiving regular updates (+23 percentage points), cyber risk being included on the risk register and regularly reviewed (+17 percentage points) and the scheme manager receiving regular updates (+13 percentage points).

Around four in ten schemes (42%) reported that they had experienced some kind of cyber breach or attack in the previous 12 months (compared with 49% in 2018). These incidents typically involved staff receiving fraudulent emails or being directed to fraudulent websites (33%).

Most schemes that experienced any cyber breaches or attacks said that these had no impact, but 15% reported a negative impact (equating to 6% of all public service schemes). This was consistent with the 2018 survey.

Where negative impacts were reported, this tended to be loss of access to third-party services (10%) or the scheme's website or online services being taken down or made slower (5%).

## 1.6 Data reviews

### **The majority of schemes had completed a data review in the previous 12 months, had identified issues and were taking action to address them.**

Nine in ten schemes (92%) had completed a data review in the previous 12 months (up from 83% in 2018). 'Other' and Local Government schemes were most likely to have completed a data review in this period (100% and 97% respectively), compared with 88% of Firefighters' and 82% of Police schemes.

Overall, 77% of schemes found issues during their most recently completed data review, most commonly with postcode (64%), first line of address (63%) or National Insurance (NI) number (56%).

Where schemes identified issues with postcode, first line of address or anticipated income at retirement these typically affected between 1-9% of memberships. Issues with other data items generally affected less than 1% of memberships.

A minority of schemes (4%) had put a data improvement plan in place and completed the rectification work. Most of the remainder had either put a data improvement plan in place but not yet completed rectification work (48%), were in the process of developing an improvement plan (15%) or had not identified any issues in their latest review (23%).

## 1.7 Annual benefit statements

**Over nine in ten active members received their annual benefit statement by the statutory deadline in 2019, unchanged from 2018. However, fewer schemes achieved this for all their active members than in 2018.**

Just over half (53%) of schemes reported that they met the statutory deadline for all their active members in 2019 (down from 66% in 2018). This proportion was highest for Firefighters' and Police schemes (67% and 60% respectively) but lower for 'Other' (45%) and Local Government (44%) schemes (both of which are primarily multi-employer schemes and typically have a greater number of members than Firefighters' and Police schemes).

Most schemes that missed the deadline for any active members did not report this to TPR (55%), while a third (33%) made a breach of law report. Both these results were consistent with those in 2018. Those schemes which did not report the missed deadline typically said this was because it was not seen as material because few statements were affected.

As in 2018, the vast majority of schemes (92%) reported that all of the statements they sent out contained all the data required by regulations.

## 1.8 Resolving issues

**Around 12,000 complaints were estimated to have been made to public service schemes in the last year. This equated to 0.7 complaints per 1,000 members, the same ratio as in 2018.**

On average, 54% of all complaints entered the Internal Dispute Resolution (IDR) process and 28% of these were upheld.

The types of complaints entering the IDR process varied by scheme type, but overall the most common complaints related to eligibility for ill health benefit (54%), disputes or queries about the amount of benefit paid (33%), and inaccuracies or disputes around pension value or definitions (27%).

## 1.9 Reporting breaches

**As in 2018, over nine in ten schemes had procedures to identify breaches of the law (94%) and to assess the breaches and report them to TPR if required (96%).**

A third of schemes (33%) identified breaches of the law in the previous 12 months (excluding those relating to annual benefit statements). Around a quarter of this group reported the breaches to TPR, equating to 8% of all schemes (down from 11% in 2018).

'Other' and Local Government schemes (which are typically larger and have a greater number of participating employers) were most likely to have identified breaches of the law (36% and 45%). In comparison, 13% of Police schemes identified any breaches, and none of these were reported to TPR.

## 1.10 Addressing governance and administration issues

**Scheme complexity and the volume of changes required to comply with legislation were seen as the top barriers to improving scheme governance and administration in the next 12 months. The McCloud judgement was also a major (and new) concern.**

The complexity of the scheme was identified as a main barrier to improving governance and administration by 63% of schemes. This was followed by the volume of changes required to comply with legislation (49%), the McCloud judgement (42%), lack of resources or time (39%) and the recruitment, training and retention of staff and knowledge (36%).

Almost all 'Other' schemes (91%) identified the McCloud judgement as one of their top barriers. This was also seen as a barrier by over half of Police (60%) and Firefighters' (51%) schemes, but fewer Local Government schemes (24%).

**Improved governance and administration was primarily attributed to a better understanding of the risks facing the scheme and of the underlying legislation and standards expected by TPR.**

Over half of schemes felt that the improvements they made to scheme governance and administration over the previous 12 months were down to an improved understanding of the risks facing the scheme (59%) and better understanding of the underlying legislation and the standards expected by TPR (57%).

## 1.11 Perceptions of TPR

**More schemes agreed that TPR was 'decisive', 'respected' and 'evidence-based' than in 2018.**

Schemes were most likely to agree that TPR was 'visible' and 'respected' (both 84%), and least likely to see it as 'decisive' and 'tough' (61% and 56% respectively).

**As in 2018, TPR was widely felt to be effective at improving standards of governance and administration. It was also perceived to be effective at bringing about the right changes in behaviour among its regulated audiences and proactive at reducing serious risks to member benefits.**

Overall, 87% of schemes judged TPR to be very or fairly effective at improving standards of governance and administration in public service pension schemes (consistent with the 88% seen in 2018). Around three-quarters agreed that it was effective at bringing about the right changes in behaviour among its regulated audiences (77%) and proactive at reducing serious risks to members' benefits (74%).

'Other' and Police schemes were more positive than Firefighters' and Local Government schemes for all of the above areas.

## 2. Introduction

### 2.1 Background

The Public Service Pensions Act 2013 and the Public Service Pensions Act (Northern Ireland) 2014 (together, the Public Service Acts) introduced new requirements for the governance and administration of public service pension schemes. Scheme managers must run their schemes according to these legal requirements, which generally came into force on 1 April 2015.

The Public Service Acts also gave TPR an expanded role to regulate the governance and administration of these schemes from 1 April 2015. TPR's code of practice for the governance and administration of public service pension schemes (the PSPS code) sets out the standards of conduct and practice it expects of those responsible, as well as practical guidance about how to comply with the legal requirements.

As part of its role, TPR is responsible for 206 public service schemes in respect of eight public service workforces, covering around 16.6 million memberships.

A survey was first undertaken in 2015 to assess how schemes were meeting the new requirements, and the standards to which they were being run. Further surveys have been run annually to provide a regular assessment of performance, understand barriers to improvement, and delve deeper into the top risks facing public service schemes.

### 2.2 Communications activities

TPR continues to engage with those acting in the public service pension scheme landscape. In 2019 this activity included:

- hosting and presenting at conferences, workshops and training events, and;
- regular pro-active engagement with scheme managers and scheme advisory boards.

The focus of this engagement is tailored to the audience and situation and ranges from overviews and summaries of scheme manager and pension board responsibilities and duties to focused presentations on key issues of importance such as cyber security, data improvement and governance.

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### 3. Methodology

As with the previous surveys, an online self-completion approach was adopted for the following reasons:

- The large amount of data to collect would have made a telephone interview very long and burdensome for respondents.
- It was anticipated that many schemes would need to do some checking/verification to answer the questions accurately.
- The range of information requested meant that it was important to allow more than one person at the scheme to contribute.

Owing to the nature and the amount of information required, a carefully structured research approach was necessary, giving respondents early warning of the kinds of information that we were seeking to collect and allowing them to devote an appropriate amount of time and effort to providing accurate and reliable information, liaising with colleagues if needed. Therefore, a multi-stage approach was adopted:

- **Stage 1:** Pre-notification emails were sent by TPR to the pension board chairs and scheme managers to explain the nature of the research, introduce OMB, alert schemes that their participation would be requested and ask them to let OMB know whether the scheme manager or their representative would be completing the survey and, if necessary, provide their contact details.
- **Stage 2:** OMB sent a tailored invitation email to each scheme manager or their chosen representative. This contained a unique survey URL and a link to a 'hard copy' of the questionnaire (for reference when compiling information prior to completion).
  - In the case of referrals, sample details were updated so that the most appropriate person was contacted going forward.
- **Stage 3:** OMB sent a further two tailored reminder emails to schemes that had either not started the survey or had only partially completed it.
- **Stage 4:** OMB executives undertook a phase of telephone chasing with non-responders. These calls ensured that the invitation email had been received, confirmed the identity of the most appropriate individual to complete the survey and encouraged schemes to take part.

The approach was supported by other TPR communications and engagement (including promotion by key stakeholders such as scheme advisory boards).

### 3.1 Sampling

The sample for this research was extracted from TPR's scheme registry database. The target audience was scheme managers of open public service schemes or their representatives.

For the purpose of the survey, each locally-administered section of relevant Firefighters', Police and Local Government schemes was treated as a separate scheme, forming a total universe of 206 schemes.

Scheme managers or their representatives were asked to work with the pension board chair to complete the survey and, where necessary, seek input from others with specialist knowledge (eg the scheme administrator).

### 3.2 Fieldwork

All surveys were completed between 6 November 2019 and 9 January 2020. In total, 202 of the 206 public service pension schemes completed the survey. This equates to a 98.1% response rate, covering 99.8% of all memberships.

**Table 3.2.1 Interview numbers and universe**

Scheme type	Interviews	Schemes		Memberships	
		Universe	Survey coverage	Universe	Survey coverage
Other	11	11	100.0%	9,528,824	100.0%
Firefighters	49	50	98.0%	119,356	97.5%
Local Government	97	99	98.0%	6,614,407	99.7%
Police	45	46	97.8%	374,136	98.7%
<b>Total</b>	<b>202</b>	<b>206</b>	<b>98.1%</b>	<b>16,636,723</b>	<b>99.8%</b>

Approaching three-quarters (70%) of the completed surveys were submitted in response to the initial email and reminders, with the remainder submitted during the telephone chasing phase.

### 3.3 Respondent profile

Scheme managers or their representatives contributed to 85% of submitted surveys, and directly completed it in 70% of cases. Over half (54%) of the surveys were completed with input from the pension board chair, with other board members involved in 26%. Two-thirds (66%) involved consultation with the scheme administrator.

Table 3.3.1 Respondent role

Respondent role	Completed	Consulted	Total
Scheme manager	28%	17%	45%
Representative of the scheme manager <sup>4</sup>	42%	30%	60%
Pension board chair	4%	50%	54%
Pension board member <sup>4</sup>	5%	22%	26%
Administrator	13%	53%	66%
Other	8%	14%	21%
<b>Net: Scheme manager/representative</b>	<b>70%</b>	<b>43%</b>	<b>85%</b>
<b>Net: Pension board chair/member</b>	<b>9%</b>	<b>55%</b>	<b>60%</b>

### 3.4 Analysis and reporting conventions

Throughout this report, results are reported at an aggregate level for all respondents and by cohort: Local Government, Firefighters', Police and 'Other'<sup>5</sup> schemes. The cohorts are grouped in this way to reflect the different governance structures, funding methods and employer profiles.

To ensure that results are representative of all public service pension schemes, the data throughout this report is shown weighted. **Scheme** data has been weighted based on the number of public service schemes of each type. **Membership** data has been weighted based on the total number of memberships in each scheme type. It should be noted that the membership-weighted results are heavily influenced by the 'Other' schemes, which account for 57% of all memberships. The narrative commentary in this report therefore typically focuses on the scheme-weighted findings.

Where available and comparable, the results from previous PSPS governance and administration surveys have been included<sup>6</sup>.

When interpreting the data presented in this report, please note that results may not sum to 100% due to rounding and/or due to respondents being able to select more than one answer to a question.

<sup>4</sup> For 'representative of the scheme manager' and 'pension board member', the **total** percentage is lower than the sum of the **completed by** and **consulted with** percentages. This is because there can be more than one person at the scheme in these roles, and in some cases, one completed the survey, and another consulted on it, so they appear in both these columns (but only count once in the total column).

<sup>5</sup> Centrally administered unfunded schemes, ie excluding relevant Local Government, Firefighters' and Police schemes.

<sup>6</sup> Although data was reported unweighted in the published 2015 report, weights have been retrospectively applied to this data to ensure direct comparability with the results from subsequent surveys. For this reason, the 2015 figures do not always exactly match those in the published 2015 report.

Data presented in this report are from a sample of public service schemes rather than the total population. This means the results are subject to sampling error.

Differences between cohorts and different years of the research have been tested for statistical significance, using finite population correction (ie reflecting that 98% of the total public service scheme universe completed the survey).

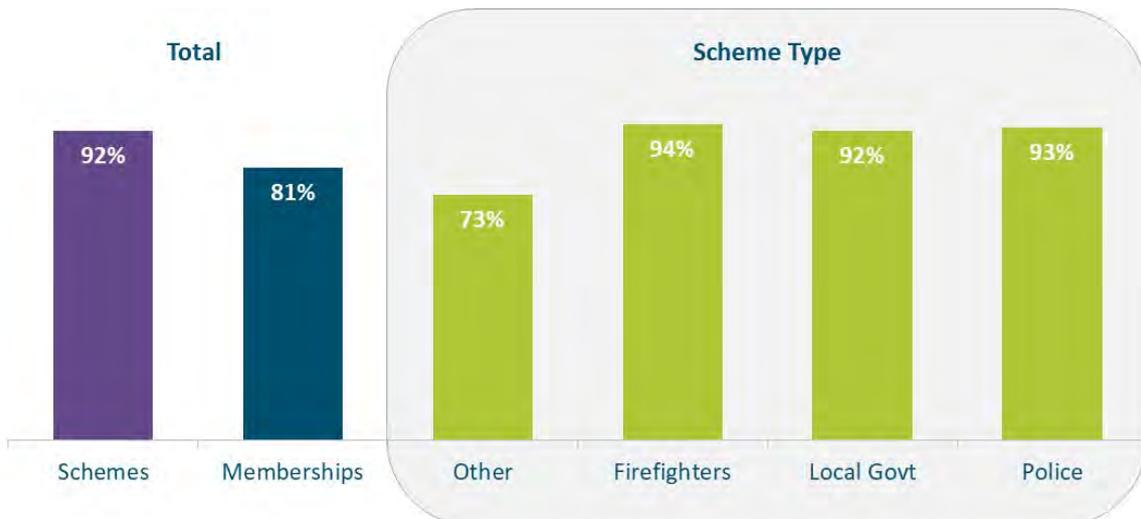
Differences are commented on in the text only if they are statistically significant at the 95% confidence level. This means there is no more than a 5% chance that any reported differences are not real but a consequence of sampling error.

## 4. Research findings

### 4.1 Scheme governance

Overall, 92% of schemes had a documented policy to manage board members' conflicts of interest, representing 81% of memberships. 'Other' schemes were least likely to have a conflicts of interest policy in place (73%).

**Figure 4.1.1 Proportion of schemes with a documented policy to manage pension board members' conflicts of interest**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 1%), Memberships (202, 0%, 6%), Other (11, 0%, 9%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 2%, 2%)

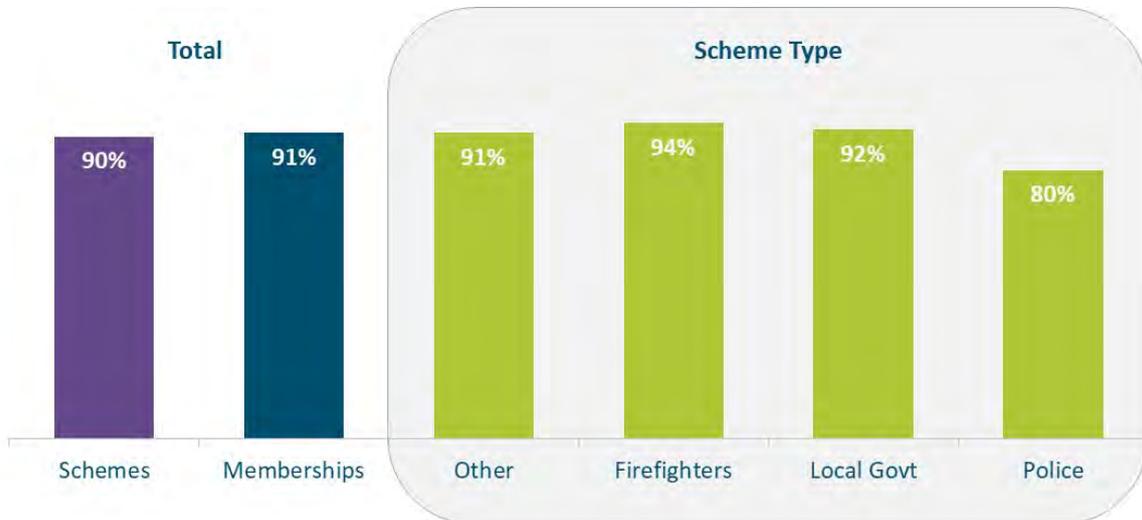
The overall proportion of schemes with a documented policy to manage conflicts of interest was unchanged compared with 2018 (92% in 2019 and 90% in 2018). There was an increase for Firefighters' schemes over this period (+9 percentage points) and a decrease for 'Other' schemes (-9 percentage points). However, the latter change related to just one of the 11 'Other' schemes.

**Table 4.1.1 Proportion of schemes with a documented policy to manage pension board members' conflicts of interest – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	92%	73%	94%	92%	93%
PSPS Survey 2018	90%	82%	85%	93%	91%
PSPS Survey 2017	92%	91%	94%	92%	91%
PSPS Survey 2016	81%	100%	80%	85%	71%
PSPS Survey 2015	85%	100%	79%	87%	86%

As detailed below, 90% of schemes maintained a register of pension board members' interests. This was lowest among Police schemes (80%).

**Figure 4.1.2 Proportion of schemes that maintained a register of pension board members' interests**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 2%), Memberships (202, 0%, 6%), Other (11, 0%, 9%), Firefighters (49, 0%, 2%), Local Government (97, 0%, 1%), Police (45, 11%, 2%)

The proportion of schemes with a register of interests was the same as in the 2018 survey (90% in each case). There was a decrease among 'Other' schemes (-9 percentage points) but this related to just one scheme that indicated they had a register of interests in 2018 but did not answer the question in 2019.

**Table 4.1.2 Proportion of schemes that maintained a register of pension board members' interests – Time series**

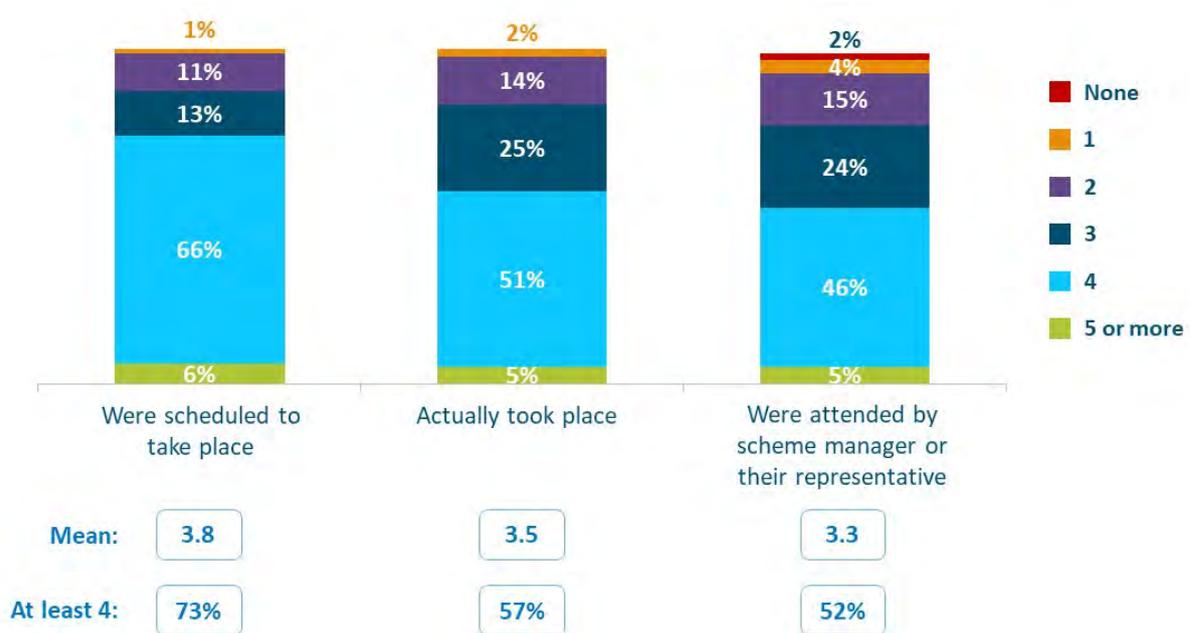
	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
<b>PSPS Survey 2019</b>	<b>90%</b>	<b>91%</b>	<b>94%</b>	<b>92%</b>	<b>80%</b>
PSPS Survey 2018	90%	100%	93%	89%	86%
PSPS Survey 2017	84%	91%	92%	86%	70%
PSPS Survey 2016	85%	100%	86%	87%	74%
PSPS Survey 2015	75%	92%	57%	77%	86%

On average, schemes had scheduled 3.8 pension board meetings in the previous 12 months, with three-quarters (73%) of schemes scheduling four or more board meetings over that period.

However, not all the scheduled meetings went ahead; schemes reported that they held an average of 3.5 board meetings in the previous 12 months, with 57% holding four or more. A minority of schemes (17%) reported that their pension boards had met twice or less in the previous 12 months.

Most pension board meetings were attended by the scheme manager or their representative. On average they had attended 3.3 meetings in the previous 12 months. Just over half (52%) of schemes indicated that the scheme manager or their representative had attended at least four board meetings during that period.

**Figure 4.1.3 Number of pension board meetings in last 12 months**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%-1%, 1%)

Across all schemes, the mean proportion of scheduled pension board meetings that actually took place was 94%. On average, 95% of the meetings that took place were attended by the scheme manager or their representative.

**Table 4.1.3 Proportion of pension board meetings that went ahead and were attended by scheme manager/representative**

	Total schemes
Base: All respondents	202
% of scheduled meetings that took place (mean)	94%
% of meetings taking place attended by scheme manager/representative (mean)	95%

Every 'Other' scheme (100%) had scheduled at least four board meetings in the previous 12 months, and they were most likely to have held at least four meetings over this period (82%). The pension boards of Firefighters' schemes met least frequently, with 31% holding four or more meetings in the previous 12 months (and a mean of 2.9 meetings).

**Table 4.1.4 Number of pension board meetings in last 12 months - by scheme type**

		Scheme Type			
		Other	Firefighters	Local Govt	Police
<i>Base: All respondents</i>		11	49	97	45
Scheduled to take place	Mean	4.0	3.2	3.9	4.1
	At least 4	100%	49%	74%	89%
Actually took place	Mean	3.7	2.9	3.7	3.6
	At least 4	82%	31%	67%	58%
Attended by scheme manager/representative	Mean	3.7	2.7	3.7	3.3
	At least 4	82%	24%	65%	47%
<b>% of scheduled meetings that took place (mean)</b>		<b>93%</b>	<b>91%</b>	<b>97%</b>	<b>90%</b>
<b>% of meetings taking place attended by scheme manager/representative (mean)</b>		<b>100%</b>	<b>93%</b>	<b>98%</b>	<b>92%</b>

Larger schemes typically held a greater number of board meetings; 74% of schemes with over 30,000 memberships had at least four meetings in the previous 12 months, compared with 58% of those with 5,001-30,000 memberships, 47% of those with 2,001-5,000 memberships and 31% of those with 2,000 or fewer memberships.

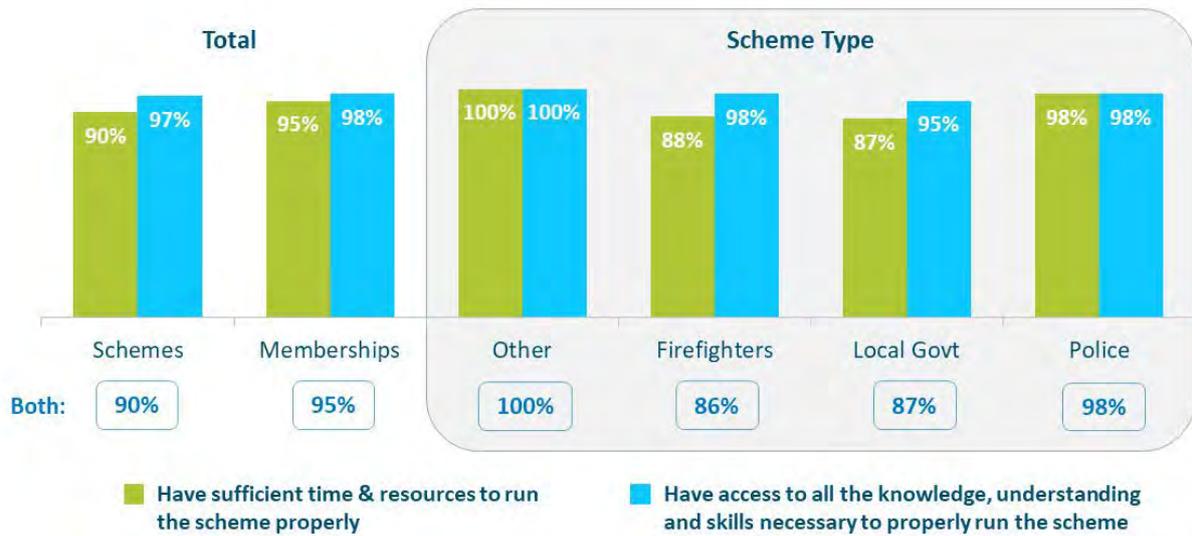
The smallest single employer schemes (with 2,000 or fewer memberships) held board meetings least frequently; 28% had four or more in the previous 12 months.

Schemes were asked whether the scheme manager and pension board had sufficient time and resources to run the scheme properly, and whether they had access to all the necessary knowledge, understanding and skills.

Figure 4.1.4 shows that 97% believed the scheme manager and pension board had access to all the knowledge and skills necessary to properly run the scheme. Schemes were comparatively less likely to report that they had sufficient time and resources, but 90% still agreed this was the case.

Every 'Other' scheme felt they had sufficient knowledge, understanding and skills, and sufficient time and resources.

**Figure 4.1.4 Scheme manager and pension board resources and knowledge**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 1-2%, 1%), Memberships (202, 1%, 0%), Other (11, 0%, 0%), Firefighters (49, 2%, 0%), Local Government (97, 2-3%, 1%), Police (45, 0%, 2%)

The proportion of schemes reporting that their scheme manager and pension board had sufficient time and resources increased between 2017 and 2018 (for all types of scheme), but there was no change between 2018 and 2019.

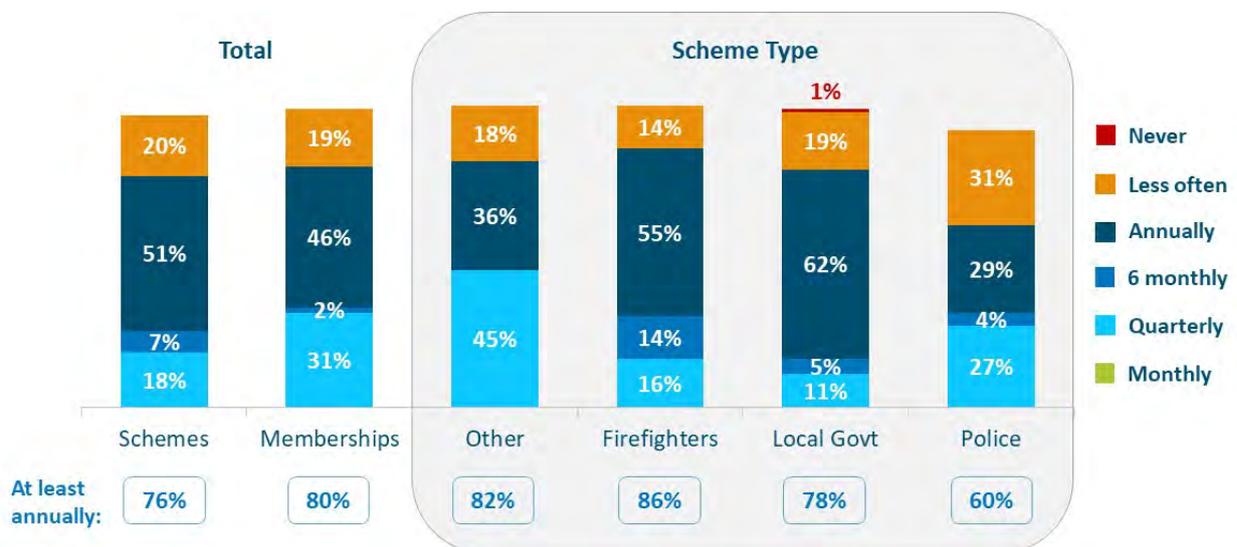
Similarly, there was no change since 2018 in the overall proportion indicating that their scheme manager and pension board had access to all the necessary knowledge, understanding and skills. However, there was an increase for Police schemes (+5 percentage points), returning to the levels seen in 2017.

**Table 4.1.5 Scheme manager and pension board resources and knowledge – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
<b>Sufficient time and resources to run the scheme properly<sup>7</sup></b>					
PSPS Survey 2019	90%	100%	88%	87%	98%
PSPS Survey 2018	91%	100%	87%	89%	95%
PSPS Survey 2017	81%	82%	82%	84%	74%
<b>Access to all the knowledge, understanding and skills necessary to properly run the scheme</b>					
PSPS Survey 2019	97%	100%	98%	95%	98%
PSPS Survey 2018	96%	100%	98%	96%	93%
PSPS Survey 2017	95%	91%	92%	97%	98%
PSPS Survey 2016	93%	100%	94%	93%	89%
PSPS Survey 2015	73%	92%	36%	85%	82%

In the majority of cases (76%) the scheme manager or pension board carried out an evaluation of the board’s knowledge, understanding and skills at least annually. This proportion was lowest for Police schemes, where almost a third (31%) did not evaluate their board at least annually.

**Figure 4.1.5 Frequency of scheme manager or pension board carrying out an evaluation of the knowledge, understanding and skills of the board in relation to running the scheme**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 1%), Memberships (202, 1%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 1%, 1%), Police (45, 7%, 2%)

<sup>7</sup> This question was not asked in 2015 or 2016 so no comparable data is available.

There was a decline since 2018 in the proportion of schemes that evaluated their board at least annually, from 82% to 76%. This was driven by a fall for Local Government and Police schemes (-8 and -22 percentage points respectively). In comparison, there was an increase for both ‘Other’ and Firefighters’ schemes (+18 and +10 percentage points respectively).

**Table 4.1.6 Proportion of schemes that carried out an evaluation of the knowledge, understanding and skills of the board at least annually – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	76%	82%	86%	78%	60%
PSPS Survey 2018	82%	64%	76%	86%	82%

As shown in Figure 4.1.6, pension board members received an average of 11 hours training per year in relation to their role on the board. Training levels varied widely, with 10% of schemes reporting that board members received over 20 hours per year but 25% indicating that it was five hours or less.

Local Government schemes had the highest number of hours of training, with an average of 14 hours per board member. While the mean for Police schemes was nine hours, a large proportion (40%) of this cohort did not know how many hours of training their board members received.

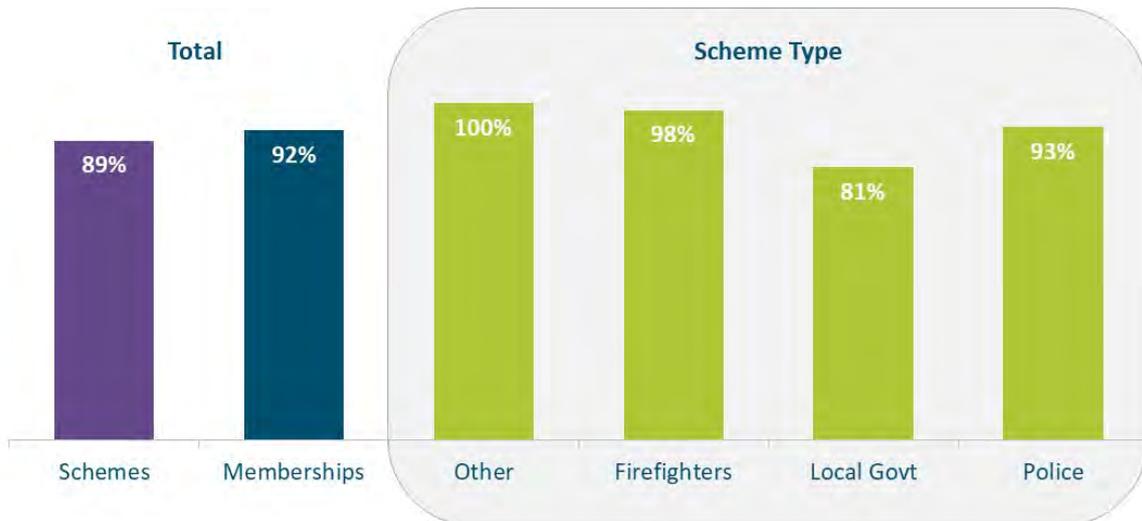
**Figure 4.1.6 Hours of training per year for each pension board member in relation to their role on the board**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 13%, 2%), Memberships (202, 3%, 1%), Other (11, 0%, 0%), Firefighters (49, 8%, 0%), Local Government (97, 5%, 3%), Police (45, 40%, 2%)

Most schemes (89%) believed that their pension board had access to all the information about the operation of the scheme it had needed to fulfil its functions in the previous 12 months. While Local Government schemes were least likely to report this (81%), 13% of this group either did not know if the board had access to all the information needed or did not answer the question.

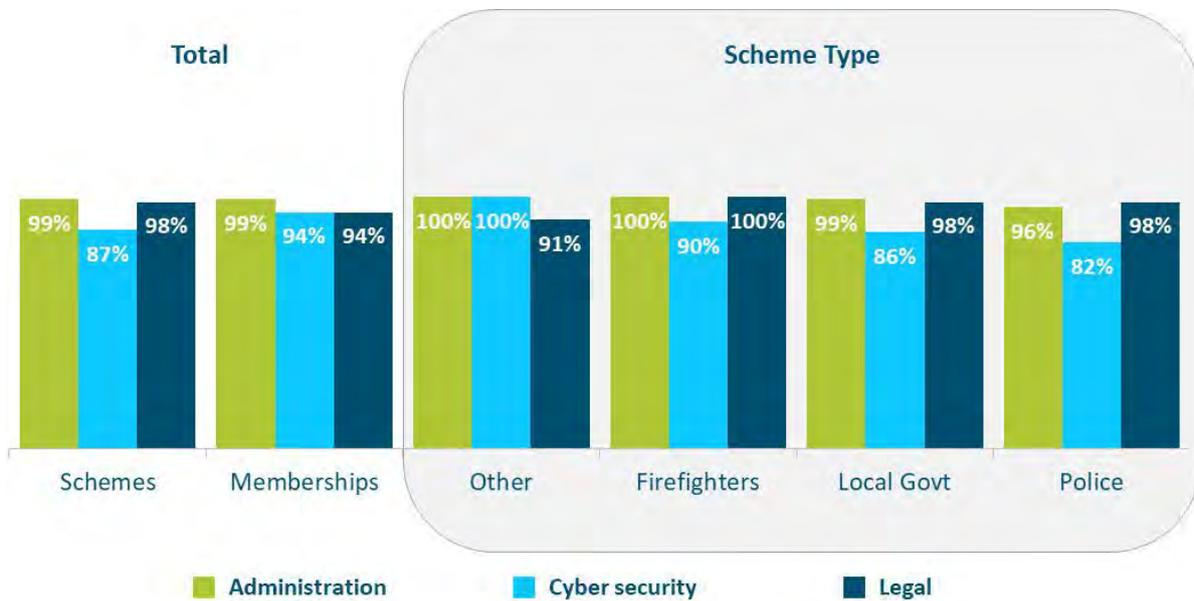
**Figure 4.1.7 Proportion of schemes where pension board had access to all the information about the operation of the scheme it needed to fulfil its functions in last 12 months**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 7%, 1%), Memberships (202, 5%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 12%, 1%), Police (45, 4%, 2%)

Almost all schemes felt that, when needed, their pension board was able to obtain sufficient specialist advice on administration (99%) and legal matters (98%). While most also felt the board could access the necessary specialist advice on cyber security, this proportion was comparatively lower (87%).

**Figure 4.1.8 Proportion of schemes where pension board was able to obtain sufficient specialist advice on administration, cyber security and legal matters when needed**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 1%-7%, 0%), Memberships (202, 0%-5%, 0%), Other (11, 0%-9%, 0%), Firefighters (49, 0%-4%, 0%), Local Government (97, 0%-8%, 1%), Police (45, 2%-11%, 0%)

As shown in Table 4.1.7, two-thirds (67%) of schemes had more than five current members on their pension board at the time they completed the survey. The mean number of current board members was 6.9 (compared with 6.8 in the 2018 survey).

**Table 4.1.7 Number of current pension board members**

	Total schemes
<i>Base: All respondents</i>	202
2-3 current board members	2%
4-5 current board members	30%
6-7 current board members	29%
8-9 current board members	21%
10+ current board members	17%
<b>Mean number of current board members</b>	<b>6.9</b>
Don't know	0%
Did not answer question	0%

Eight schemes (4%) reported that they had fewer current board members at the time they completed the survey than specified by their respective regulations. Of these, four were Local Government and four were Police schemes.

Schemes were also asked to provide details of the number of vacant positions on their board, the number of board members that had left in the previous 12 months and the number of members appointed in this period.

While the majority of schemes (75%) reported that one or more board members had left in the previous 12 months, 74% indicated that at least some of these had been replaced with new appointments. Just over a quarter (27%) of schemes had any vacant positions on the board at the time they completed the survey.

**Table 4.1.8 Turnover of pension board members**

	Vacant positions	Members that left in last 12 months	Members appointed in last 12 months
<i>Base: All respondents</i>	202	202	202
0	71%	22%	24%
1	19%	38%	30%
2	5%	21%	29%
3	2%	11%	8%
4+	0%	5%	6%
<b>Net: 1+</b>	<b>27%</b>	<b>75%</b>	<b>74%</b>
<b>Mean</b>	<b>0.4</b>	<b>1.4</b>	<b>1.5</b>
Don't know	1%	1%	1%
Did not answer question	1%	1%	1%

Further analysis was conducted to assess the total number of board positions in each scheme. The number of 'total positions' on the board was calculated by combining the number of current board members and number of vacant positions.

As shown in Table 4.1.9, the mean number of total positions was 7.2. On average, schemes reported that 20% of the total positions on their board had left in the previous 12 months and 21% had been appointed in the previous 12 months. The mean proportion of total board positions that were vacant at the time the schemes completed the survey was 5%.

**Table 4.1.9 Number of total pension board positions (current members plus vacant positions)**

	Total schemes
<i>Base: All respondents</i>	202
Mean number of total positions on board (current + vacant)	7.2
Mean % of total positions that are vacant	5%
Mean % of total positions that left in last 12 months	20%
Mean % of total positions appointed in last 12 months	21%

'Other' schemes tended to have the greatest number of current board members (a mean of 11.1) and Firefighters' schemes had the fewest (a mean of 5.4). Police schemes had the fewest vacant board positions (a mean of 0.1).

**Table 4.1.10 Number and turnover of pension board members – by scheme type**

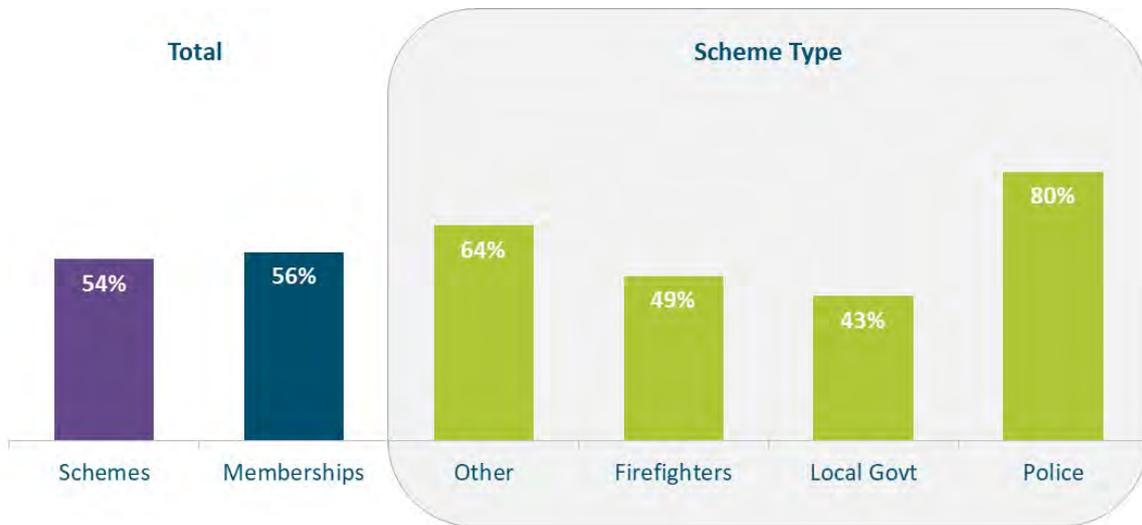
	Scheme Type			
	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	11	49	97	45
Mean no. of current board members	11.1	5.4	6.4	8.7
Mean no. of vacant positions	0.6	0.3	0.5	0.1
Mean no. of board members that left in last 12 months	1.9	1.1	1.3	1.7
Mean no. of board members appointed in last 12 months	1.8	1.3	1.3	2.0
<b>Mean % of total positions that are vacant</b>	<b>6%</b>	<b>5%</b>	<b>7%</b>	<b>1%</b>
<b>Mean % of total positions that left in last 12 months</b>	<b>18%</b>	<b>20%</b>	<b>19%</b>	<b>21%</b>
<b>Mean % of total positions appointed in last 12 months</b>	<b>17%</b>	<b>22%</b>	<b>19%</b>	<b>23%</b>

As mentioned previously, eight schemes had fewer current board members at the time they completed the survey than specified by their respective regulations. Six of these schemes had vacant positions on their board. If these vacant positions were filled, each of these six schemes would have met the minimum requirement for the number of pension board members for their type of scheme.

The remaining two schemes that had fewer current board members than required by their regulations were Police schemes that did not report any vacant positions.

Over half (54%) of schemes had a succession plan in place for members of the pension board. This differed widely by scheme type, ranging from 80% of Police schemes to 43% of Local Government.

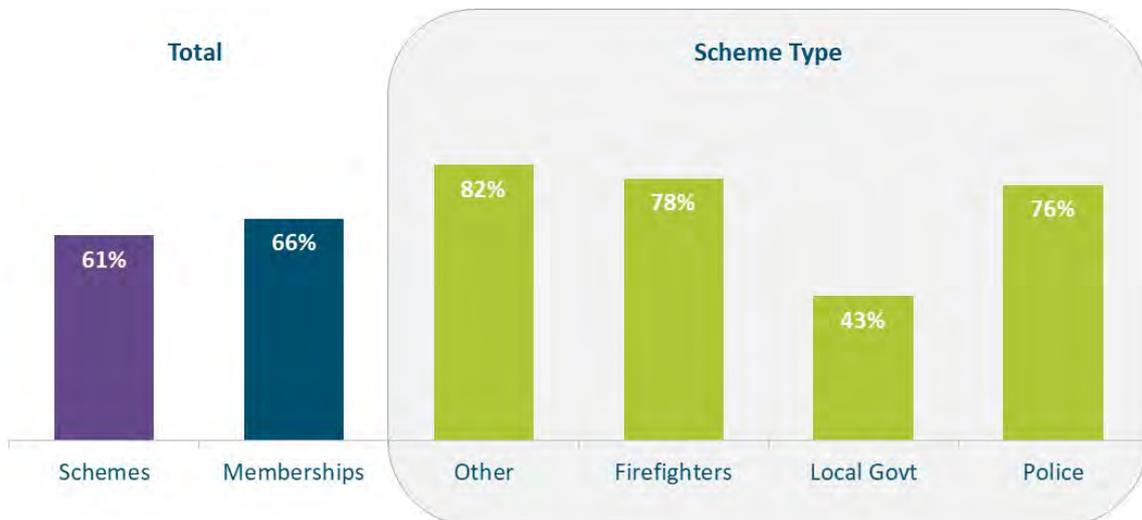
**Figure 4.1.9 Proportion of schemes with a succession plan in place for pension board members**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 4%, 1%), Memberships (202, 1%, 0%), Other (11, 0%, 0%), Firefighters (49, 4%, 0%), Local Government (97, 2%, 1%), Police (45, 9%, 2%)

Overall, 61% of schemes reported that the scheme manager had delegated responsibility for making the day-to-day decisions needed to run the scheme to another person. This was least likely to be the case among Local Government schemes (43%).

**Figure 4.1.10 Proportion of schemes where scheme manager delegated responsibility for making day-to-day decisions to another person**

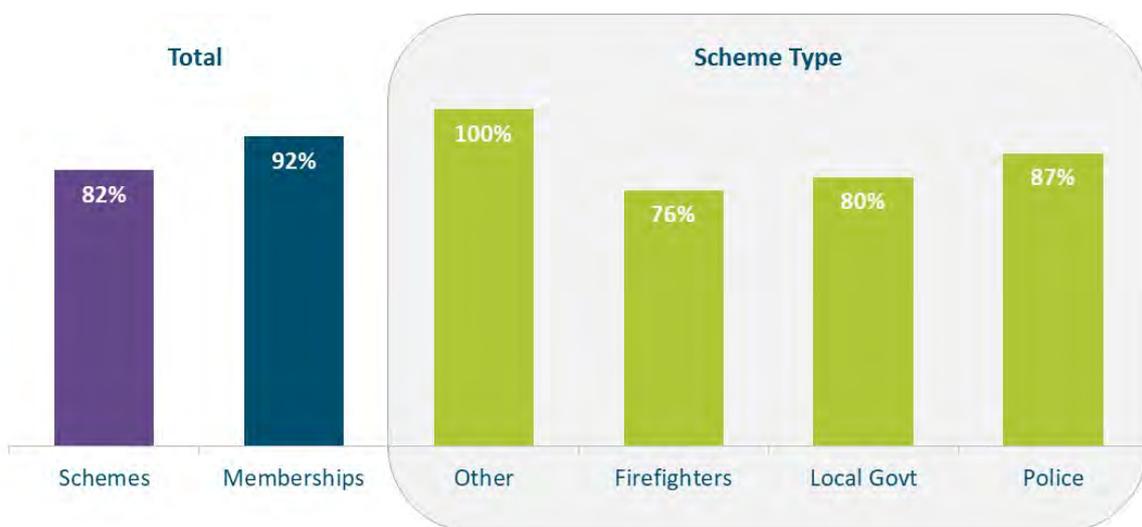


All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 2%, 0%)

## 4.2 Managing risk

Around eight in ten schemes (82%) had documented procedures for assessing and managing risk. Every 'Other' scheme had these in place (100%), but Firefighters' schemes were least likely to do so (76%).

**Figure 4.2.1 Proportion of schemes with their own documented procedures for assessing and managing risk**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 0%, 0%)

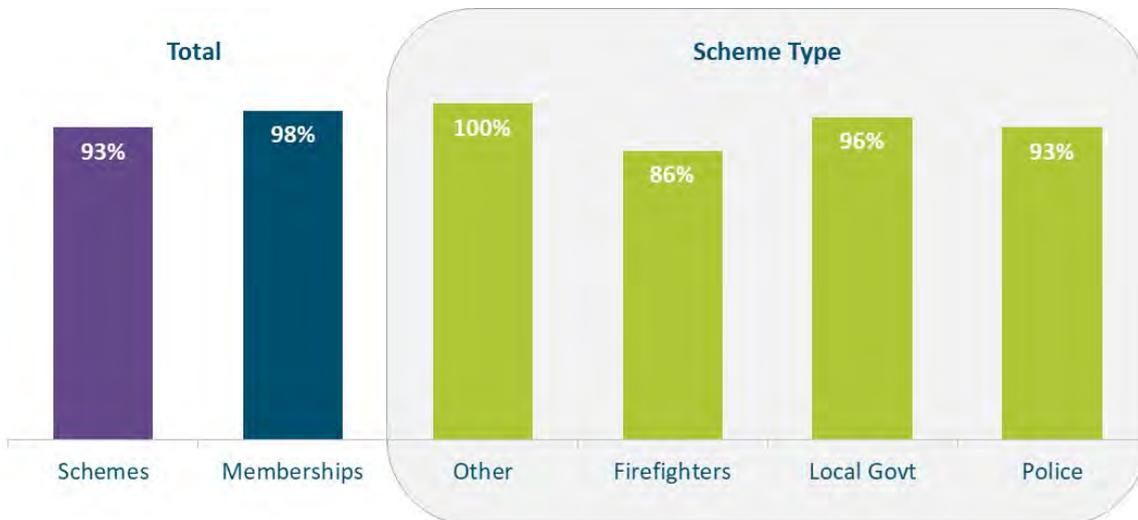
Following a pattern of improved risk management between 2015 and 2018, there was a decline on this measure in 2019 (from 92% to 82%). However, this is likely to be due to a change made to the questionnaire in 2019. Previously schemes were just asked if they had documented procedures for assessing and managing risk, but in 2019 they were asked if they had their 'own' procedures for this and were specifically instructed to answer 'no' if they relied on their local authority's risk procedures. The fall in the proportion of schemes meeting this criteria was most evident for Local Government schemes (-16 percentage points).

**Table 4.2.1 Proportion of schemes with documented procedures for assessing and managing risk – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	82%	100%	76%	80%	87%
PSPS Survey 2018	92%	100%	80%	96%	93%
PSPS Survey 2017	83%	82%	63%	93%	84%
PSPS Survey 2016	72%	91%	44%	92%	51%
PSPS Survey 2015	70%	100%	36%	79%	82%

The vast majority (93%) of schemes had a risk register, although this was least likely to be the case for Firefighters' schemes (86%).

**Figure 4.2.2 Proportion of schemes with their own risk register**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 1%), Police (45, 0%, 0%)

As with procedures for assessing and managing risk, this survey question was also changed in 2019 to ask whether schemes had their 'own' risk register and instruct them to answer 'no' if they relied on their local authority's register. However, for this measure the questionnaire change had no impact on the results, which were consistent with those seen in 2018.

**Table 4.2.2 Proportion of schemes with a risk register – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
<b>PSPS Survey 2019</b>	<b>93%</b>	<b>100%</b>	<b>86%</b>	<b>96%</b>	<b>93%</b>
PSPS Survey 2018	94%	100%	87%	98%	93%
PSPS Survey 2017	88%	91%	69%	97%	88%
PSPS Survey 2016	70%	91%	38%	91%	51%
PSPS Survey 2015	76%	100%	36%	91%	82%

All schemes were asked to identify the top three governance and administration risks on their register (or facing the scheme if they did not have a risk register). As detailed in Table 4.2.3, a wide range of risks were reported. The most prevalent was record-keeping (50%), followed by funding or investment (33%), regulatory compliance (28%) and cyber risk (25%).

The key risks differed by scheme type. For 'Other' schemes the top risk was systems failures (64%), for Firefighters' it was record-keeping and securing

compliance with regulatory changes (both 53%), for Local Government it was funding or investment (63%)<sup>8</sup>, and for Police it was record-keeping (73%).

**Table 4.2.3 Top governance and administration risks**

Top Mentions (5%+)	Total			Scheme Type		
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Record-keeping (ie receipt and management of correct data)	50%	34%	27%	53%	40%	73%
Funding or investment	33%	25%	0%	8%	63%	2%
Securing compliance with changes in scheme regulations	28%	15%	9%	53%	22%	20%
Cyber risk	25%	14%	9%	20%	19%	47%
Recruitment and retention of staff or knowledge	23%	18%	9%	24%	32%	4%
Systems failures (IT, payroll, administration systems, etc)	20%	44%	64%	22%	16%	16%
Administrator issues (expense, performance, etc)	16%	27%	36%	18%	13%	13%
Lack of resources/time	14%	22%	27%	14%	16%	7%
Production of annual benefit statements	12%	24%	36%	16%	6%	13%
Failure of internal controls	11%	18%	27%	10%	4%	22%
Guaranteed Minimum Pension (GMP) reconciliation	10%	8%	9%	2%	6%	27%
Lack of knowledge, effectiveness or leadership among key personnel	9%	4%	0%	12%	8%	9%
McCloud judgement	7%	8%	9%	2%	6%	16%
Receiving contributions from the employer(s)	5%	4%	0%	0%	10%	0%
Don't know	2%	0%	0%	6%	0%	2%
Did not answer question	1%	1%	0%	0%	2%	0%

<sup>8</sup> Only Local Government schemes are funded so this risk is not relevant to the other scheme types.

As detailed in table 4.2.4, around a third of schemes (35%) had reviewed their exposure to new and existing risks in at least 4 board meetings over the previous 12 months. Most of the remainder had reviewed their risk exposure in 2-3 meetings (42%) but 16% had done so on only one occasion and 5% had not reviewed their risk exposure at any board meetings in the previous 12 months.

On average, schemes reviewed their risk exposure at 2.7 board meetings in the previous 12 months. This equated to 77% of all board meetings held.

**Table 4.2.4 Number of pension board meetings held in last 12 months that reviewed the scheme's risk exposure**

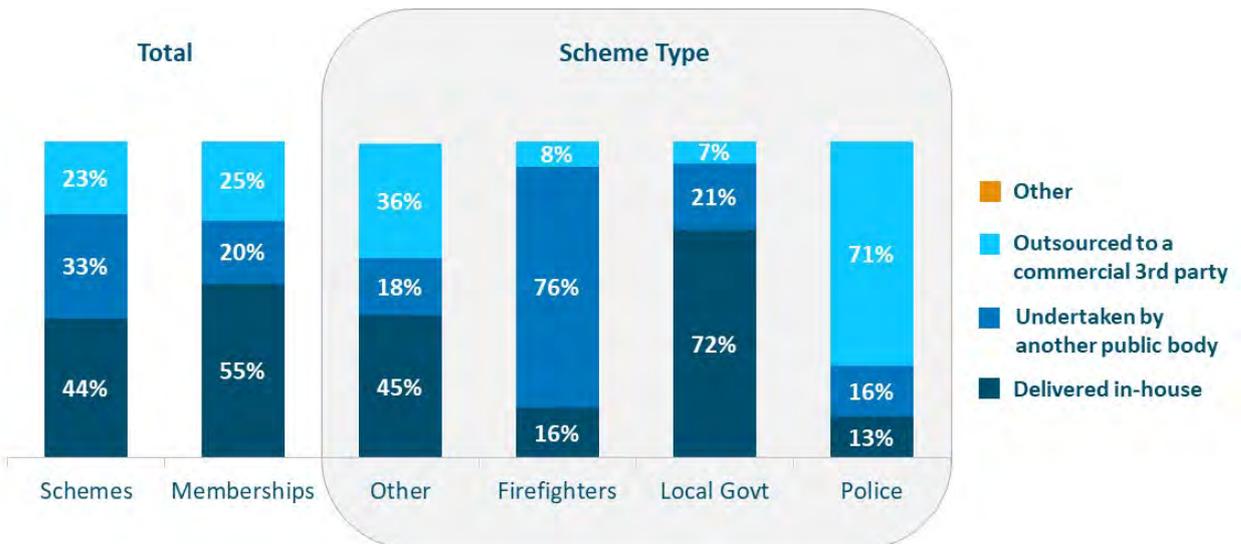
	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	11	49	97	45
None	5%	0%	6%	6%	4%
1	16%	0%	18%	23%	2%
2	21%	9%	37%	24%	2%
3	20%	18%	18%	13%	38%
4	34%	73%	20%	30%	47%
5+	1%	0%	0%	2%	0%
<b>Net: 4 or more</b>	<b>35%</b>	<b>73%</b>	<b>20%</b>	<b>32%</b>	<b>47%</b>
<b>Mean number of board meetings that reviewed risk exposure</b>	<b>2.7</b>	<b>3.6</b>	<b>2.3</b>	<b>2.5</b>	<b>3.3</b>
<b>Mean % of board meetings that reviewed risk exposure</b>	<b>77%</b>	<b>98%</b>	<b>78%</b>	<b>68%</b>	<b>92%</b>

Firefighters' schemes were least likely to have reviewed their risk exposure on a regular basis; 20% had done so in at least four board meetings in the previous 12 months. In comparison, 73% of 'Other' schemes had reviewed their risk exposure in four or more board meetings (and it was covered at 98% of all board meetings).

### 4.3 Administration and record-keeping

The majority of schemes (56%) used an external administrator. This included 33% where the administration was undertaken by another public body under a shared service agreement or outsource contract and 23% where the administration was outsourced to a commercial third party. The remaining 44% were administered in-house.

**Figure 4.3.1 Scheme administration arrangements**

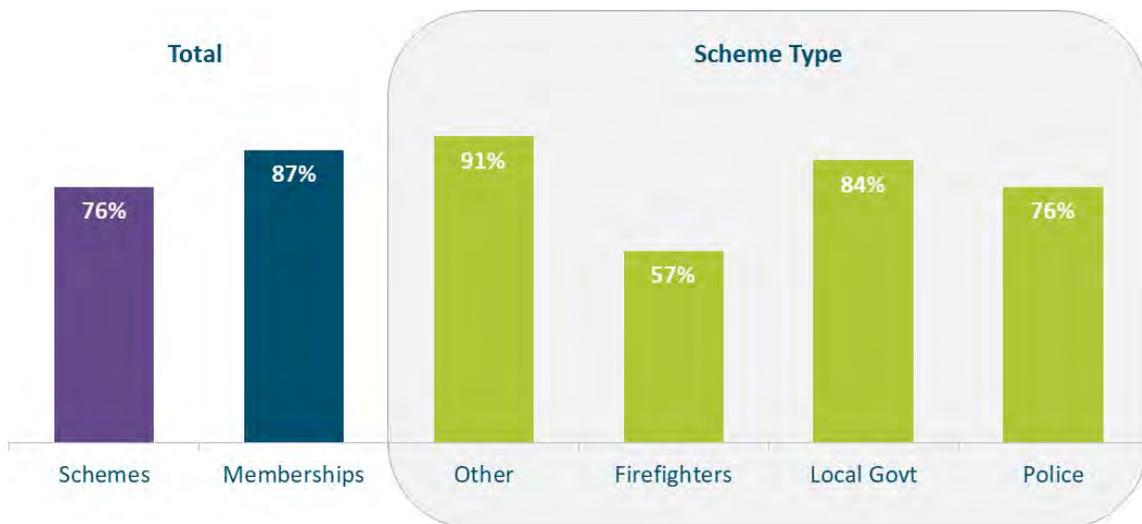


All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%, 0%), Memberships (202, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 0%, 0%), Police (45, 0%, 0%)

There was some variation by scheme type in terms of the administration arrangements. Just under three-quarters (72%) of Local Government schemes undertook scheme administration in-house, whereas 'Other', Firefighters' and Police schemes were more likely to outsource it (55%, 84% and 87% respectively). Of the latter groups, Firefighters' schemes tended to outsource administration to another public body whereas Police and 'Other' schemes were more likely to use a commercial third party.

As shown in Figure 4.3.2, three-quarters (76%) of schemes had an administration strategy. This ranged from 91% of 'Other' schemes down to 57% of Firefighters'. Overall, 87% of all memberships were in a scheme which had an administration strategy.

Figure 4.3.2 Proportion of schemes with an administration strategy



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 5%, 0%), Memberships (202, 5%, 0%), Other (11, 9%, 0%), Firefighters (49, 12%, 0%), Local Government (97, 0%, 0%), Police (45, 9%, 0%)

There was no difference in this respect between schemes that were administered in-house and those that outsourced administration to either a commercial third party or another public body (Table 4.3.1).

**Table 4.3.1 Whether had an administration strategy – by administration arrangement**

	Administration arrangement		
	In-house	Another public body	Commercial 3 <sup>rd</sup> party
<i>Base: All respondents</i>	89	66	47
Administration strategy	79%	71%	77%
No administration strategy	20%	21%	13%
Don't know	1%	8%	11%
Did not answer question	0%	0%	0%

Schemes measured the performance of their administrators in a variety of ways (Table 4.3.2). The most common method was checking performance against service level agreements or service schedules (85%). The majority of schemes also used complaints volumes and trends (70%) and auditing administration functions and systems (66%).

The approaches employed to monitor and manage their administrators differed by scheme type. 'Other' schemes used the widest range of measures, whereas Firefighters' schemes primarily relied on performance against service level agreements or service schedules and were generally less likely to use other methods.

**Table 4.3.2 Methods used to measure administrator performance**

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Performance against a service level agreement or service schedule	85%	93%	100%	84%	82%	89%
Complaints volumes and trends	70%	84%	91%	57%	74%	71%
Auditing administration functions and systems	66%	84%	91%	55%	76%	51%
Testing the accuracy of calculations	45%	58%	64%	20%	49%	56%
Benchmarking against the market	37%	41%	36%	16%	49%	33%
Assessing project delivery against initially agreed time and cost	32%	39%	45%	18%	31%	44%
Member satisfaction ratings	31%	54%	64%	18%	44%	9%
Analysis of errors	31%	43%	45%	22%	41%	16%
Volumes of rework required	14%	34%	45%	6%	21%	2%
'Right first time' statistics	8%	25%	36%	2%	9%	4%
None of these	1%	0%	0%	2%	1%	2%
Don't know	0%	0%	0%	0%	0%	2%
Did not answer question	0%	0%	0%	0%	1%	0%

Table 4.3.3 shows that there were some differences in the methods used to measure administrator performance between schemes that were administered in-house and those where this was conducted externally.

The use of service level agreements or service schedules was less prevalent where schemes were administered in-house (72%, compared with 92% of those administered by another public body and 100% of those administered by a commercial third party). The former were instead most likely to measure performance by auditing administration functions and systems (82%, compared with 52% of those administered by another public body and 57% of those administered by a commercial third party).

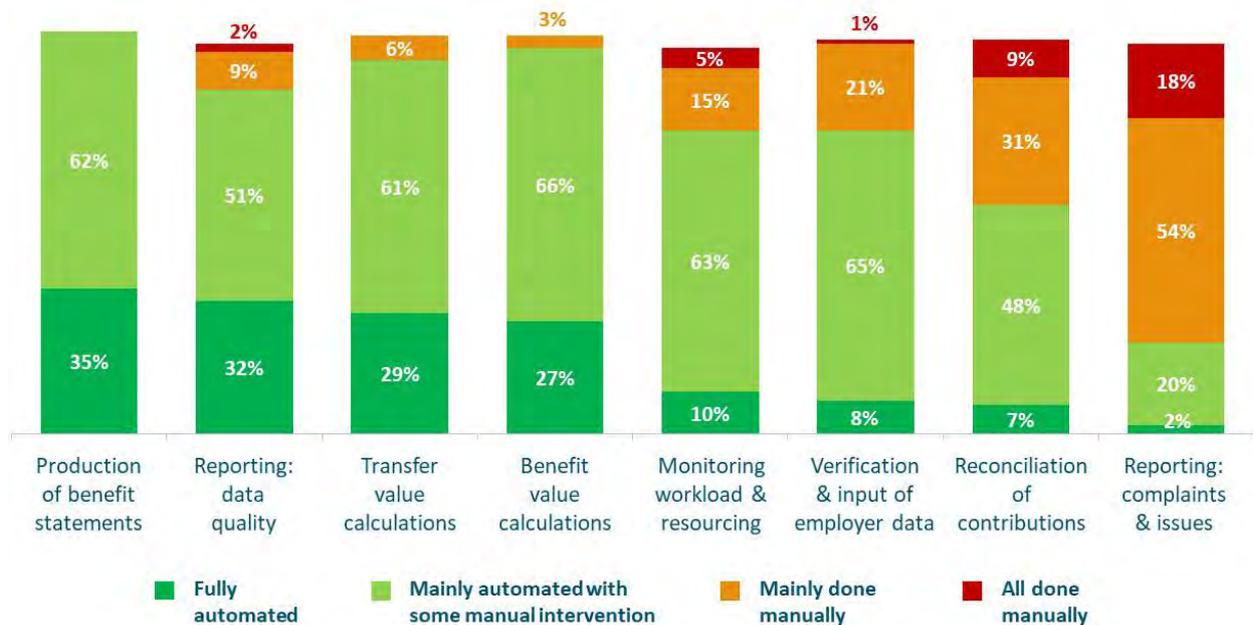
**Table 4.3.3 Methods used to measure administrator performance – by administration arrangement**

	Administration arrangement		
	In-house	Another public body	Commercial 3 <sup>rd</sup> party
<i>Base: All respondents</i>	89	66	47
Performance against a service level agreement or service schedule	72%	92%	100%
Complaints volumes and trends	71%	61%	83%
Auditing administration functions and systems	82%	52%	57%
Testing the accuracy of calculations	54%	20%	62%
Benchmarking against the market	49%	21%	36%
Assessing project delivery against initially agreed time and cost	27%	23%	53%
Member satisfaction ratings	38%	30%	19%
Analysis of errors	43%	29%	13%
Volumes of rework required	21%	8%	11%
'Right first time' statistics	11%	5%	6%
None of these	2%	2%	0%
Don't know	1%	0%	0%
Did not answer question	0%	2%	0%

The 2019 survey included several questions around automation. In this context, a process was defined as automated if it was completed through the use of technology (e.g. a software platform) with minimal human intervention.

As set out in Figure 4.3.3, full automation of key administration processes was relatively uncommon, but some degree of automation was more widespread. The production of benefit statements was most likely to be automated to at least some extent, with no schemes doing this entirely or mainly manually. However, the reporting of complaints and issues was typically a manual process (73% of schemes did this entirely or mainly manually).

Figure 4.3.3 Automation of key processes



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0%-4%, 1%-3%)

Table 4.3.4 shows that schemes administered in-house were comparatively more likely to carry out several of these processes manually: reporting – data quality (17%), monitoring workload and resourcing (34%), and reconciliation of contributions (53%).

**Table 4.3.4 Proportion completing each process all/mainly manually – by administration arrangement**

Proportion reporting process is 'all done manually' or 'mainly done manually'	Administration arrangement		
	In-house	Another public body	Commercial 3 <sup>rd</sup> party
<i>Base: All respondents</i>	89	66	47
Production of benefit statements	1%	0%	2%
Reporting – data quality	17%	8%	6%
Transfer value calculations	6%	8%	6%
Benefit value calculations	4%	2%	4%
Monitoring workload and resourcing	34%	12%	9%
Verification and input of employer data	26%	14%	28%
Reconciliation of contributions	53%	32%	28%
Reporting – complaints and issues	75%	68%	75%

As set out in Table 4.3.5, when asked what barriers they faced to automating more of the scheme's processes the most common responses were difficulty in integrating it with their existing systems (39%), a lack of suitable technology (36%), the initial set-up costs (28%) and the poor quality of the data (20%).

**Table 4.3.5 Barriers to automating the scheme's processes**

Top Mentions (5%+)	Total			Scheme Type		
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Difficulty in integrating it with the scheme's existing systems	39%	55%	64%	35%	44%	27%
Lack of suitable technology	36%	38%	36%	33%	42%	24%
The initial set-up costs involved	28%	39%	45%	24%	30%	22%
Poor quality of the data	20%	31%	36%	12%	26%	13%
Lack of knowledge/expertise about how to implement this	11%	7%	0%	4%	16%	9%
Resource issues	9%	4%	0%	16%	10%	0%
Time issues	7%	1%	0%	22%	3%	0%
Securing the necessary internal approval	6%	8%	9%	2%	5%	11%
Complexity of scheme/scheme rules	5%	18%	27%	2%	6%	0%
Issues working with/coordinating with other parties	5%	3%	0%	6%	7%	0%
No barriers to automating more of the schemes processes	18%	10%	9%	14%	10%	40%
Don't know	4%	1%	0%	6%	1%	9%
Did not answer question	0%	0%	0%	0%	1%	0%

For each type of scheme, the most widely mentioned barrier to automation was difficulty integrating it with the scheme's existing systems. This was a particular issue for 'Other' schemes (64%).

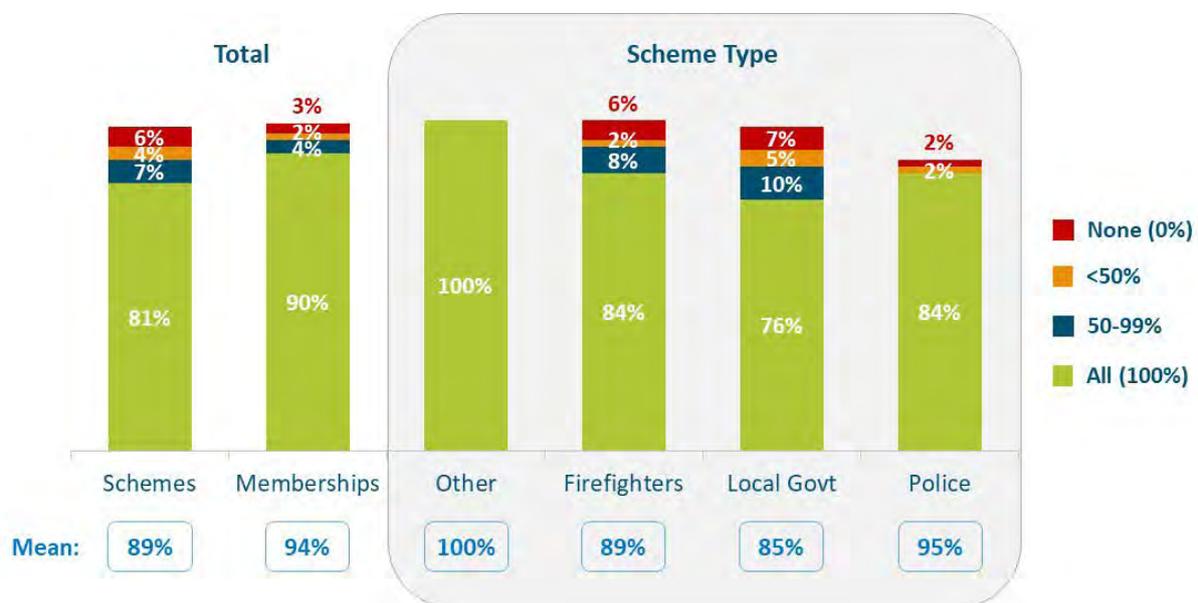
'Other' schemes were also comparatively more likely to identify set-up costs (45%), poor data quality (36%) and scheme complexity (27%) as barriers. Firefighters' schemes were more likely than other scheme types to highlight

time issues (22%) and resource issues (16%), Local Government schemes were more likely to mention lack of suitable technology (42%) and Police schemes were more likely to feel that there were no barriers to further automation of their processes (40%).

As shown in Figure 4.3.4, most schemes (81%) included administration as a dedicated item on the agenda at every pension board meeting. A further 7% covered it in at least half of their board meetings, but 4% did so at fewer than half of their meetings and 6% never included it on the agenda.

All the 'Other' schemes formally covered administration every time the board met. Local Government schemes were the least likely to report this (76%).

**Figure 4.3.4 Proportion of pension board meetings held in last 12 months that had administration as a dedicated item on the agenda**



Base: All that held any board meetings in the last 12 months (Base, Don't know, Did not answer question) - Schemes (200, 3%, 1%), Memberships (200, 0%, 0%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (96, 0%, 1%), Police (44, 11%, 0%)

As shown in table 4.3.6, there was an increase since 2018 in the proportion of schemes that included administration on the agenda at every board meeting (+5 percentage points). This was most evident among Police schemes (+9 percentage points).

**Table 4.3.6 Proportion of schemes that had administration on the agenda at every board meeting in last 12 months - Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	81%	100%	84%	76%	84%
PSPS Survey 2018	76%	100%	80%	71%	75%

As set out in Table 4.3.7, the vast majority of schemes had processes in place to monitor administration and record-keeping. Overall, 96% had a process for monitoring the payment of contributions, 92% had a process for resolving contribution payment issues, 92% had a process to monitor records on an ongoing basis to ensure they are accurate and complete, and 91% had a process with the scheme's employer(s) to receive, check and review data.

'Other' schemes were most likely to have these processes in place (100% in each case). Police schemes were least likely to have a process to monitor records for accuracy and completeness (82%) and to receive, check and review data (82%). Firefighters' schemes were least likely to have a process for resolving contribution payment issues (82%).

**Table 4.3.7 Administration and record-keeping processes - Time series**

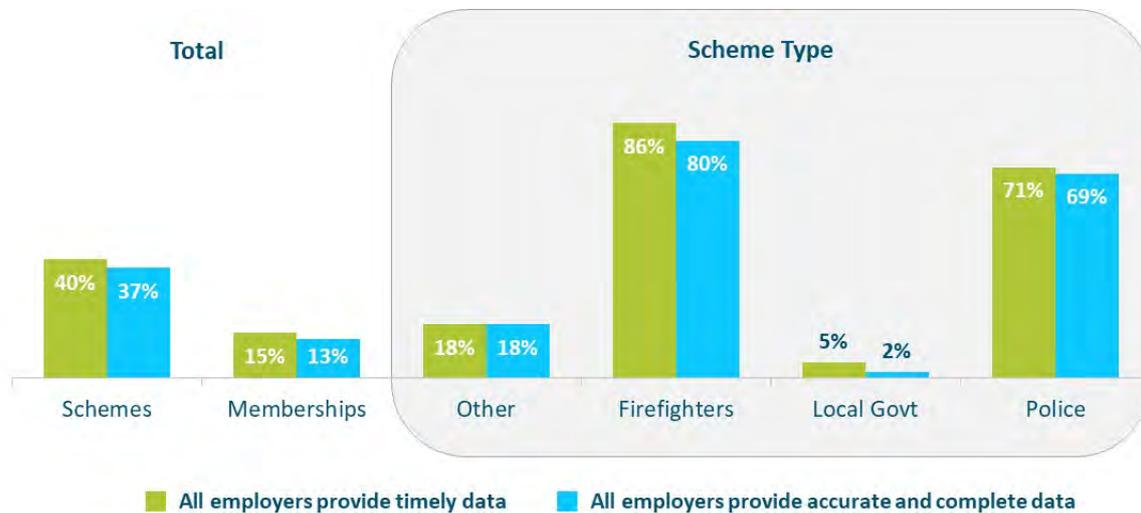
Proportion with a process...	Total		Scheme Type				
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police	
To monitor records for all membership types on an ongoing basis to ensure they are accurate and complete	<b>2019</b>	<b>92%</b>	<b>97%</b>	<b>100%</b>	<b>94%</b>	<b>94%</b>	<b>82%</b>
	2018	91%	92%	91%	85%	95%	89%
	2017	85%	95%	100%	80%	88%	81%
	2016	89%	91%	91%	88%	90%	86%
With the employer(s) to receive, check and review data	<b>2019</b>	<b>91%</b>	<b>96%</b>	<b>100%</b>	<b>94%</b>	<b>92%</b>	<b>82%</b>
	2018	92%	93%	91%	87%	98%	86%
	2017	86%	96%	100%	78%	92%	77%
	2016	90%	98%	100%	76%	96%	89%
For monitoring the payment of contributions	<b>2019</b>	<b>96%</b>	<b>100%</b>	<b>100%</b>	<b>90%</b>	<b>100%</b>	<b>93%</b>
	2018	98%	100%	100%	96%	100%	95%
	2017	97%	94%	91%	94%	100%	95%
	2016	95%	94%	91%	88%	100%	94%
For resolving contribution payment issues	<b>2019</b>	<b>92%</b>	<b>99%</b>	<b>100%</b>	<b>82%</b>	<b>98%</b>	<b>89%</b>
	2018	94%	99%	100%	85%	98%	95%
	2017	90%	92%	91%	84%	94%	86%
	2016	88%	93%	91%	68%	97%	91%

The proportion of schemes with these processes in place was very similar to that seen in 2018. However, there were some changes by scheme type, including increases in the proportion of 'Other' and Firefighters' schemes that had a process to monitor scheme records for accuracy and completeness and a process with the employer(s) to receive, check and review data.

Schemes were asked the extent to which the employer(s) provided timely, accurate and complete data. Single employer schemes were asked whether their participating employer always provided timely, accurate and complete data, whereas multi-employer schemes were asked to give the proportion of their employers that always did this. The analysis in Figure 4.3.5 combines the results from both questions.

Four in ten (40%) schemes reported that all their employers always provided timely data. A slightly lower proportion (37%) reported that all their employers always provided accurate and complete data. However, this differed by scheme type and was lower among 'Other' (18% for each) and Local Government (5% and 2%) schemes, which are typically multi-employer.

**Figure 4.3.5 Proportion of schemes where all employers always provided timely, accurate and complete data**



All respondents (Base, Don't know timely, Did not answer timely, Don't know accurate/complete, Did not answer accurate/complete) - Schemes (202, 3%, 2%, 4%, 2%), Memberships (202, 1%, 2%, 1%, 2%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 0%, 0%, 2%, 0%), Local Government (97, 1%, 4%, 2%, 4%), Police (45, 11%, 2%, 13%, 2%)

As shown in Table 4.3.8, on average 88% of scheme employers always provided timely data, and 84% always provided accurate and complete data. The mean proportions of employers that always provided timely and accurate/complete data were highest for Police schemes (96% for each).

**Table 4.3.8 Mean proportion of employers that always provided timely, accurate and complete data**

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Mean % of employers that always provide timely data	88%	86%	87%	87%	85%	96%
Mean % of employers that always provide accurate and complete data	84%	82%	83%	82%	80%	96%

Table 4.3.9 shows that the proportion of schemes reporting that all their employers always provided timely, accurate and complete data was very similar to that seen in 2018. The only change was for Police schemes, where there was a fall on both of these measures (-11 percentage points for timely data and -13 percentage points for accurate and complete data).

At the total level, there was also no change since 2018 in the mean proportion of employers that always provided timely or accurate and complete data. However, the mean fell for Firefighters' schemes on both these measures (-8 and -7 percentage points respectively). For Police schemes the mean proportion of employers providing accurate and complete data increased since 2018 (+6 percentage points).

**Table 4.3.9 Provision of timely, accurate and complete data by employers – Time series**

		Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
All employers (100%) always provide timely data	2019	40%	15%	18%	86%	5%	71%
	2018	42%	16%	18%	80%	6%	82%
	2017	37%	23%	27%	57%	11%	72%
Mean % of employers that always provide timely data	2019	88%	86%	87%	87%	85%	96%
	2018	87%	85%	86%	95%	81%	92%
	2017	89%	87%	88%	94%	84%	96%
All employers (100%) always provide accurate and complete data	2019	37%	13%	18%	80%	2%	69%
	2018	39%	15%	18%	72%	4%	82%
	2017	30%	15%	18%	49%	7%	60%
Mean % of employers that always provide accurate and complete data	2019	84%	82%	83%	82%	80%	96%
	2018	84%	82%	84%	89%	79%	90%
	2017	86%	81%	80%	93%	80%	95%

As shown in Table 4.3.10, the proportions of employers that always provided timely, accurate and complete data were much lower for multi-employer schemes than single employer ones. Among multi-employer schemes, 6% said their employers always provided timely data and 3% said they always provided accurate and complete data (compared with 89% and 84% respectively for single employer schemes).

**Table 4.3.10 Provision of timely, accurate and complete data by employers – analysis by single and multi-employer schemes**

	Single employer schemes	Multi-employer schemes
<i>Base: All respondents</i>	83	119
All employers (100%) always provide timely data	89%	6%
All employers (100%) always provide accurate and complete data	84%	3%

Schemes were also asked the extent to which the employer(s) submitted data monthly and electronically. Single employer schemes were asked whether their participating employer submitted data monthly and electronically, and multi-employer schemes were asked to give the proportion of their employers that did this. The analysis in Figure 4.3.6 combines the results from both questions.

Over half (56%) of schemes reported that all their employers submitted data monthly and just over two-thirds (69%) reported that all their employers submitted data electronically. These proportions were lowest for Local Government schemes (36% and 53% respectively).

**Figure 4.3.6 Proportion of schemes where all employers submitted data monthly and electronically**



All respondents (Base, Don't know monthly, Did not answer monthly, Don't know electronically, Did not answer electronically) - Schemes (202, 4%, 2%, 3%, 2%), Memberships (202, 2%, 2%, 1%, 2%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 0%, 0%, 0%, 0%), Local Government (97, 4%, 4%, 1%, 4%), Police (45, 11%, 0%, 11%, 0%)

Table 4.3.11 shows that, on average, 80% of scheme employers submitted data monthly and 90% submitted data electronically. For monthly data, the mean was lower for Firefighters' (76%) and Local Government (78%) schemes.

**Table 4.3.11 Mean proportion of employers that submitted data monthly and electronically**

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	202	11	49	97	45
Mean % of employers that submit data monthly	80%	89%	96%	76%	78%	87%
Mean % of employers that submit data electronically	90%	90%	93%	90%	86%	100%

There was no change since 2018 in the overall proportions of schemes reporting that all employers submitted data monthly and submitted data electronically, or in the mean proportions of employers doing so.

However, there were some changes for different types of scheme. The proportions of Firefighters' schemes reporting that all their employers submitted data monthly and submitted it electronically increased since 2018 (+15 and +14 percentage points respectively). The latter also increased for 'Other' schemes (+18 percentage points). In contrast, Police schemes were less likely to report that all employers provided data monthly and submitted it electronically (-13 and -9 percentage points respectively).

**Table 4.3.12 Submission of data monthly and electronically by employers – Time series**

		Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
All employers (100%) submitted data monthly	<b>2019</b>	<b>56%</b>	<b>53%</b>	<b>64%</b>	<b>76%</b>	<b>36%</b>	<b>76%</b>
	2018	56%	55%	64%	61%	38%	89%
Mean % of employers that submitted data monthly	<b>2019</b>	<b>80%</b>	<b>89%</b>	<b>96%</b>	<b>76%</b>	<b>78%</b>	<b>87%</b>
	2018	77%	81%	86%	70%	72%	93%
All employers (100%) submitted data electronically	<b>2019</b>	<b>69%</b>	<b>65%</b>	<b>73%</b>	<b>90%</b>	<b>53%</b>	<b>82%</b>
	2018	66%	54%	55%	76%	51%	91%
Mean % of employers that submitted data electronically	<b>2019</b>	<b>90%</b>	<b>90%</b>	<b>93%</b>	<b>90%</b>	<b>86%</b>	<b>100%</b>
	2018	88%	91%	95%	88%	83%	99%

As with timeliness of data and its accuracy and completeness, these proportions were lower for multi-employer schemes than single employer schemes. Overall, 80% single employer schemes said all their employers submitted data monthly compared with 39% of multi-employer schemes. Similarly, 92% of single employer schemes said all their employers submitted data electronically compared with 54% of multi-employer schemes.

**Table 4.3.13 Submission of data monthly and electronically by employers – analysis by single and multi-employer schemes**

	Single employer schemes	Multi-employer schemes
<i>Base: All respondents</i>	83	119
All employers (100%) submit data monthly	80%	39%
All employers (100%) submit data electronically	92%	54%

#### 4.4 Cyber security

Schemes were asked about 14 specific cyber controls and four-fifths (82%) had at least half of them in place, up from three-quarters (74%) in 2018.

No schemes stated that they had none of these cyber controls in place, although 5% either answered “don’t know” or did not provide a response.

**Table 4.4.1 Proportion of schemes with controls to protect their data and assets from ‘cyber risk’ – Time series**

	Total schemes	
	2019	2018
<i>Base: All respondents</i>	<b>202</b>	<b>195</b>
System controls (e.g. firewalls, anti-virus/malware, software updates)	<b>90%</b>	82%
Controls restricting access to systems and data	<b>89%</b>	83%
Critical systems and data regularly backed up	<b>88%</b>	80%
Policies on data access, protection, use and transmission in line with data protection legislation and guidance	<b>87%</b>	81%
Policies on the acceptable use of devices, passwords/other authentication and on home/mobile working	<b>87%</b>	80%
Cyber risk is on the risk register and regularly reviewed	<b>84%</b>	67%
Scheme manager assured themselves of 3rd party providers’ controls	<b>71%</b>	66%
Incident response plan to deal with any incidents which occur	<b>71%</b>	67%
Access to specialist skills and expertise to understand and manage risk	<b>68%</b>	66%
Roles and responsibilities on cyber resilience clearly defined and documented	<b>65%</b>	62%
Assessment of vulnerability to a cyber incident of key functions, systems, assets and parties involved in running the scheme	<b>63%</b>	57%
Assessment of likelihood of different types of breaches occurring	<b>53%</b>	49%
Scheme manager receives regular updates on cyber risks, incidents and controls	<b>52%</b>	39%
Pension board receives regular updates on cyber risks, incidents and controls	<b>49%</b>	26%
None of these	<b>0%</b>	0%
<b>Net: At least half of these cyber controls in place (7+)</b>	<b>82%</b>	<b>74%</b>
<b>Mean number of cyber controls in place</b>	<b>10</b>	<b>9</b>
Don’t know	4%	6%
Did not answer question	1%	1%

The most common types of cyber protection were system controls such as firewalls, anti-virus products and regular software updates (90%), controls restricting access to systems and data (89%), regular back-ups of critical systems and data (88%), policies on data access, protection, use and transmission in line with data protection legislation and guidance (87%), policies on acceptable use of devices, passwords, other authentication and

home and mobile working (87%), and cyber risk being included on the scheme's risk register and regularly reviewed (84%).

In comparison, around half of schemes indicated that the scheme manager or pension board received regular updates on cyber risks, incidents and controls (52% and 49% respectively) or assessed the likelihood of different types of breaches occurring (53%).

For 11 of the 14 cyber controls, the proportion of schemes with these in place was higher than in 2018<sup>9</sup>. The greatest increases were seen for the pension board receiving regular updates (+23 percentage points), cyber risk being included on the risk register and regularly reviewed (+17 percentage points) and the scheme manager receiving regular updates (+13 percentage points).

Table 4.4.2 shows 42% of schemes had experienced some kind of cyber breach or attack in the previous 12 months (down from 49% in 2018).

**Table 4.4.2 Proportion of schemes experiencing any cyber security breaches or attacks in last 12 months (including at their administration provider) – Time series**

	Total schemes	
	2019	2018
<i>Base: All respondents</i>	<b>202</b>	<b>195</b>
Staff receiving fraudulent emails or being directed to fraudulent websites	<b>33%</b>	42%
Attacks that try to take down website or online services	<b>10%</b>	10%
People impersonating scheme in emails or online	<b>8%</b>	9%
Unauthorised use or hacking of computers, networks or servers by people outside scheme	<b>3%</b>	0%
Unauthorised use of computers, networks or servers by staff, even if accidental	<b>1%</b>	1%
Computers becoming infected with other viruses, spyware or malware	<b>1%</b>	5%
Computers becoming infected with ransomware	<b>0%</b>	2%
Hacking or attempted hacking of online bank accounts	<b>0%</b>	1%
Any other types of cyber security breaches or attacks	<b>4%</b>	2%
None of these	<b>49%</b>	41%
<b>Net: Any cyber incidents reported in last 12 months</b>	<b>42%</b>	<b>49%</b>
Don't know	<b>8%</b>	9%
Did not answer question	<b>1%</b>	1%

<sup>9</sup> The increases shown in Table 4.4.1 were statistically significant for all controls except 'Access to specialist skills and expertise to understand and manage risk', 'Roles and responsibilities on cyber resilience clearly defined and documented' and 'Assessment of likelihood of different types of breaches occurring'.

As was the case in 2018, these incidents typically involved staff receiving fraudulent emails or being directed to fraudulent websites (33%).

Those schemes that had experienced any cyber breaches or attacks in the previous 12 months were asked what, if anything, had happened as a result. Most (81%) said that there had been no impact but 15% reported a negative impact. This equates to 6% of all public service schemes (ie including those that did not experience any cyber incidents or breaches), similar to the 7% seen in the 2018 survey.

The negative impacts reported tended to be either the loss of access to any third-party services relied on (10%) or the scheme's website or online services being taken down or made slower (5%).

**Table 4.4.3 Impact of cyber security breaches or attacks experienced in last 12 months**

	Total schemes	
	2019	2018
<i>Base: All experiencing cyber security breaches or attacks</i>	<b>84</b>	95
Lost access to any third-party services relied on	<b>10%</b>	1%
Website or online services taken down or made slower	<b>5%</b>	9%
Temporary loss of access to files or networks	<b>2%</b>	7%
Personal data altered, destroyed or taken	<b>1%</b>	1%
Money stolen	<b>1%</b>	0%
Software or systems corrupted or damaged	<b>0%</b>	0%
Permanent loss of files (other than personal data)	<b>0%</b>	0%
Lost or stolen assets, trade secrets or intellectual property	<b>0%</b>	0%
None of these	<b>81%</b>	85%
<b>Net: Any impact reported in last 12 months</b>	<b>15%</b>	14%
Don't know	<b>1%</b>	0%
Did not answer question	<b>2%</b>	1%

Table 4.4.4 provides a summary based on memberships, showing the proportion of all members in a scheme with at least half of the cyber risk controls in place, in a scheme experiencing any cyber breaches or attacks in the previous 12 months, and in a scheme reporting a negative impact of any such incidents.

**Table 4.4.4 Summary of cyber controls and breaches/attacks by memberships – Time series**

	Total memberships	
Proportion with at least half of the cyber risk controls in place (ie 7 or more) <i>(All schemes)</i>	2019	92%
	2018	92%
Proportion experiencing any cyber breaches/attacks in last 12 months <i>(All schemes)</i>	2019	40%
	2018	42%
Proportion reporting any impact of cyber breaches/attacks in last 12 months <i>(All experiencing breaches/attacks)</i>	2019	21%
	2018	5%

Overall, 92% of memberships were in a scheme that had at least half of the cyber controls in place, unchanged from 2018. There was also no change in the proportion of memberships in a scheme that had experienced any cyber breaches or attacks in the previous 12 months (40%, compared with 42% in 2018).

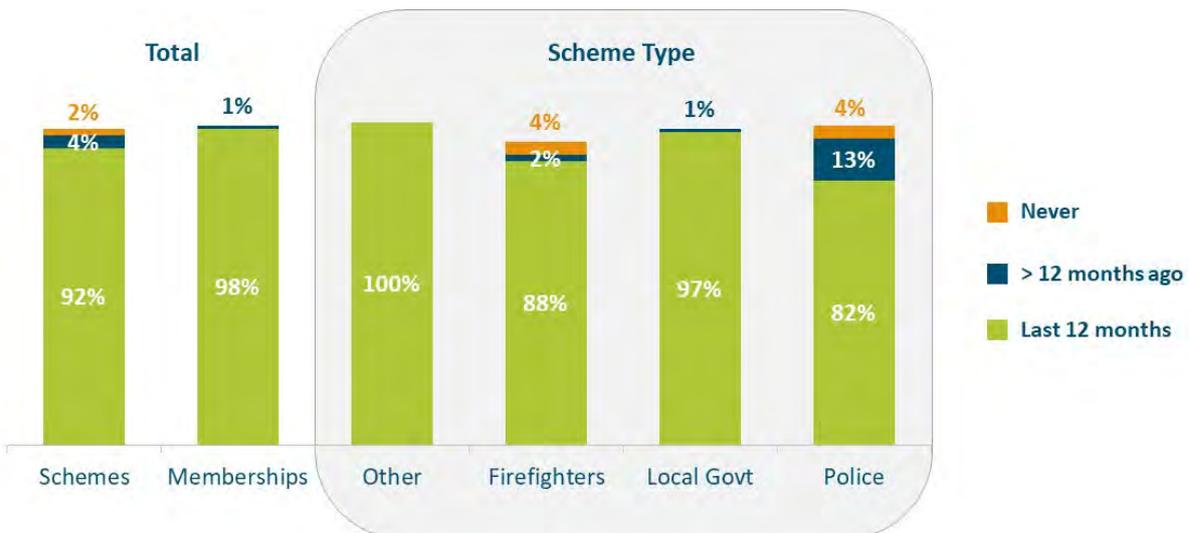
However, there was an increase in the proportion of memberships in a scheme which reported a negative impact of any cyber incidents (21% of those in a scheme that had experienced breaches or attacks, compared with 5% in 2018). As detailed in Table 4.4.3, the negative impacts typically involved the loss of access to third-party services relied on or the scheme's website or online services being taken down or made slower.

#### 4.5 Data reviews

Most schemes (92%) had completed a data review within the previous 12 months, a further 4% had done so more than 12 months previously and 2% reported that they had never completed a data review.

'Other' and Local Government schemes were most likely to have completed a data review in the previous 12 months (100% and 97% respectively), but this fell to 88% of Firefighters' and 82% of Police schemes.

Figure 4.5.1 Timing of last completed data review



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 1%, 1%), Memberships (202, 0%, 1%), Other (11, 0%, 0%), Firefighters (49, 6%, 0%), Local Government (97, 0%, 2%), Police (45, 0%, 0%)

The proportion of schemes that had completed a data review in the previous 12 months was higher than in 2018. This increase was evident for all scheme types.

Table 4.5.1 Proportion of schemes that completed a data review in last 12 months – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	92%	100%	88%	97%	82%
PSPS Survey 2018	83%	82%	78%	93%	68%
PSPS Survey 2017	75%	100%	71%	74%	74%
PSPS Survey 2016	79%	100%	68%	83%	77%
PSPS Survey 2015	70%	58%	50%	77%	77%

Schemes were asked whether their most recently completed data review exercise had identified any issues or problems with various data items. As set out in Table 4.5.2, the most common issues related to postcode (64%), first line of address (63%) and NI number (56%).

The proportions reporting problems with the other data items were lower (ranging from 32% for membership start date down to 13% for anticipated income at retirement). However, it is not possible to ascertain whether this is because schemes did not find issues in these areas or because they did not include them in their data review. To illustrate, 26% of schemes did not answer or said "Don't know" when asked if they had identified issues with anticipated income at retirement, which might suggest they did not cover this in their most recent review.

Almost a quarter (23%) of schemes reported that they had found no issues at all in their most recently completed data review.

**Table 4.5.2 Proportion of schemes identifying issues or problems in most recently completed data review**

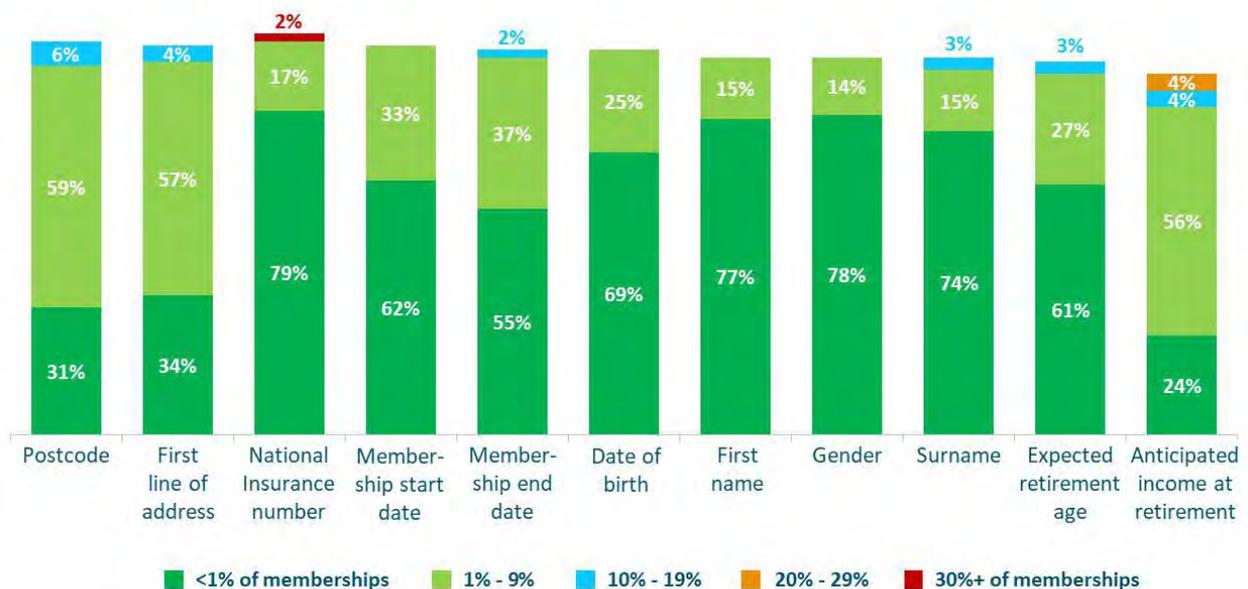
	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All ever completing a data review</i>	193	11	44	95	43
Postcode	64%	45%	61%	79%	37%
First line of address	63%	45%	55%	78%	42%
NI number	56%	55%	48%	68%	40%
Membership start date	32%	64%	30%	36%	16%
Membership end date	26%	55%	14%	34%	16%
Date of birth	25%	27%	7%	31%	30%
First name	20%	27%	9%	22%	26%
Gender	19%	18%	9%	24%	16%
Surname	18%	18%	9%	18%	26%
Expected retirement age	17%	36%	5%	22%	14%
Anticipated income at retirement	13%	27%	7%	19%	2%
Other data items	37%	36%	39%	51%	7%
No issues identified	23%	18%	20%	14%	49%

Postcode, first line of address and NI number were the three most widely identified data issues for Firefighters', Local Government and Police schemes. For 'Other' schemes it was membership start date, membership end date and NI number.

Almost half (49%) of Police schemes did not identify any issues or problems in their most recent data review.

For each data issue identified, schemes were asked the proportion of memberships that were affected. As shown in Figure 4.5.2, in most cases these issues applied to less than 1% of the scheme's memberships. However, where schemes identified problems with postcode, first line of address and anticipated income at retirement these typically affected 1-9% of memberships.

**Figure 4.5.2 Proportion of memberships affected by data issues identified in latest review**



All identifying issues with each item (Base, Don't know, Did not answer question) - Postcode (123, 2%, 2%), First line of address (121, 2%, 2%), NI number (109, 1%, 2%), Membership start date (61, 3%, 2%), Membership end date (51, 4%, 2%), Date of birth (48, 2%, 4%), First name (39, 3%, 5%), Gender (36, 3%, 6%), Surname (34, 3%, 6%), Expected retirement date (33, 3%, 6%), Anticipated income at retirement (25, 8%, 4%)

This question was only asked to those schemes that had identified issues with each data item, which limits the scope for robust comparisons across different types of scheme. However, the following highlights all cases where over 10% of a scheme's memberships were affected by issues with a data item.

Other:

- No schemes reported that any of the data issues affected 10%+ memberships

Firefighters:

- 5% said issues with NI number affected 10%+ memberships

Local Government:

- 11% said issues with anticipated income at retirement affected 10%+ memberships
- 9% said issues with postcode affected 10%+ memberships
- 7% said issues with first line of address affected 10%+ memberships
- 5% said issues with expected retirement date affected 10%+ memberships
- 3% said issues with membership end date affected 10%+ memberships

Police

- 9% said issues with surname affected 10%+ memberships
- 6% said issues with NI number affected 10%+ memberships

As shown in Table 4.5.3, a minority of schemes (4%) had put a data improvement plan in place and completed the rectification work. Most of the remainder reported that work was underway or planned, although 2% had not developed an improvement plan or undertaken any work (and a further 23% had not identified any data issues).

**Table 4.5.3 Action taken to address issues or problems with data**

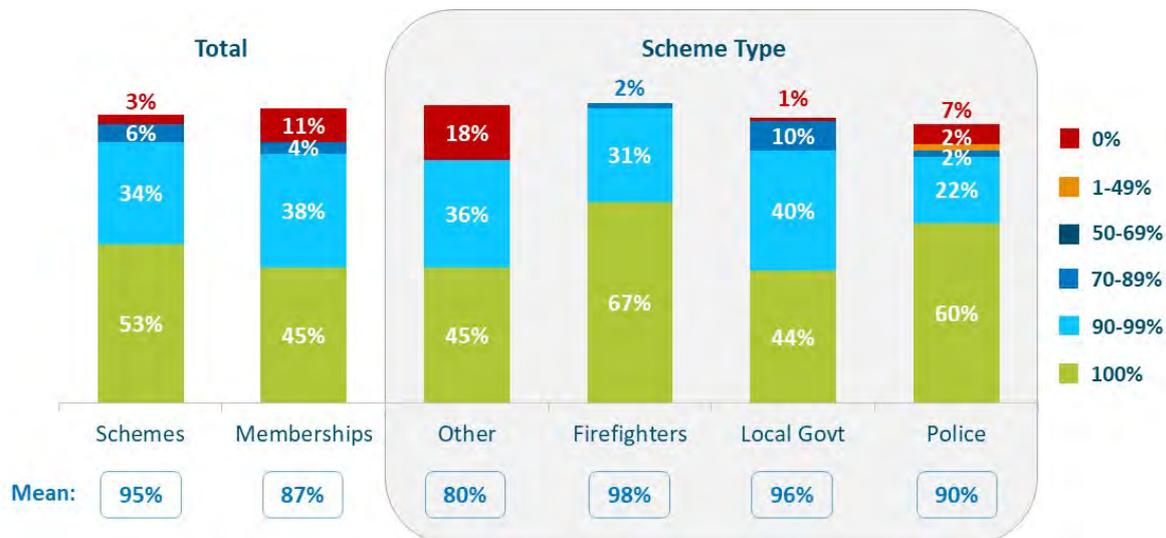
	Total			Scheme Type		
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All ever reviewing data</i>	193	193	11	44	95	43
<b>Identified issues with data</b>	<b>77%</b>	<b>83%</b>	<b>82%</b>	<b>80%</b>	<b>86%</b>	<b>51%</b>
An improvement plan has been put in place and rectification work has been <b>completed</b>	4%	2%	0%	5%	5%	2%
An improvement plan is in place, but rectification work is <b>not yet complete</b>	48%	60%	64%	50%	56%	26%
An improvement plan is <b>in development</b>	15%	17%	18%	14%	17%	9%
Rectification work has been <b>undertaken without an improvement plan</b>	6%	3%	0%	9%	6%	2%
<b>No improvement plan</b> has been developed and no work has been undertaken	2%	0%	0%	2%	1%	2%
<b>Did not identify issues with data</b>	<b>23%</b>	<b>17%</b>	<b>18%</b>	<b>20%</b>	<b>14%</b>	<b>49%</b>
Don't know action taken	2%	0%	0%	0%	0%	9%
Did not answer action taken	1%	0%	0%	0%	1%	0%

## 4.6 Annual benefit statements

On average, 95% of each scheme's active members received their annual benefit statement (ABS) by the statutory deadline in 2019. When the data is weighted to reflect the number of memberships in each scheme, this shows that 87% of all active members received their ABS by the deadline.

Just over half (53%) of schemes reported that they had met this deadline for all their active members.

**Figure 4.6.1 Proportion of active members receiving ABS by statutory deadline in 2019**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 1%), Memberships (202, 1%, 1%), Other (11, 0%, 0%), Firefighters (49, 0%, 0%), Local Government (97, 1%, 3%), Police (45, 7%, 0%)

The mean proportion of active members that received their ABS by the deadline was highest for Firefighters' (98%) and Local Government (96%) schemes.

Firefighters' were also most likely to have met the ABS deadline for all their active members in 2019 (67%), followed by Police schemes (60%). This proportion was lower for 'Other' (45%) and Local Government (44%) schemes, both of which are primarily multi-employer schemes and typically have a greater number of memberships.

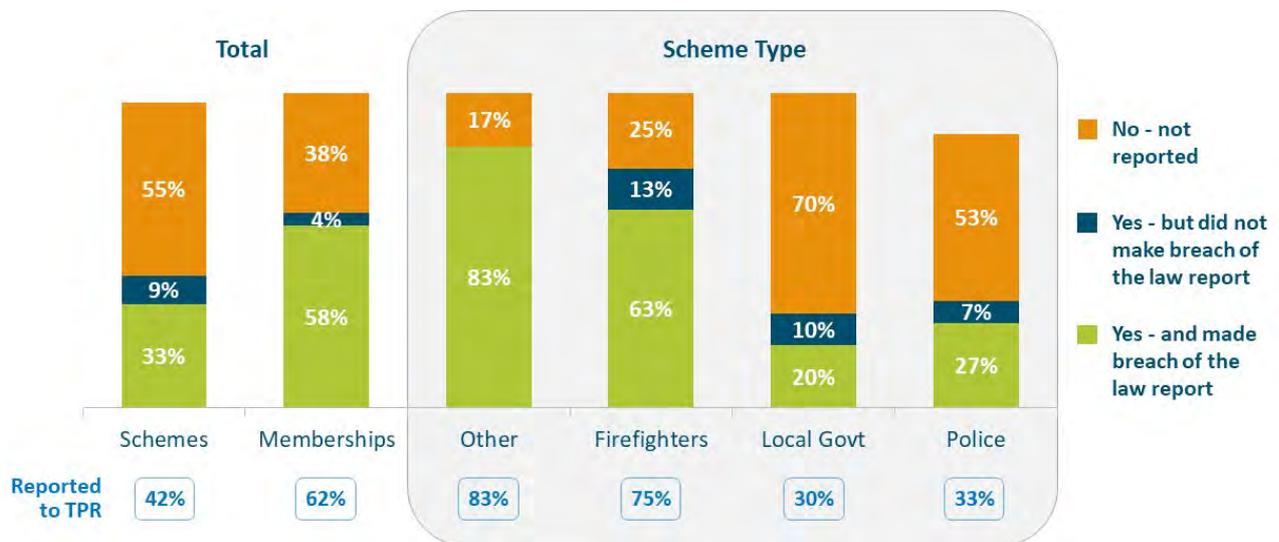
As shown in Table 4.6.1, there was no change since 2018 in the overall mean percentage of active members who received their ABS by the deadline (95% in both cases). However, this fell for 'Other' and Police schemes (-16 and -5 percentage points respectively) but increased for Local Government schemes (+3 percentage points).

There was also a decrease in the proportion of schemes reporting that they met the ABS deadline for all their active members, from 66% in 2018 to 53% in 2019. This pattern was evident for all types of scheme.

**Table 4.6.1 Proportion of active members receiving annual benefit statement by statutory deadline – Time series**

		Total schemes	Scheme Type			
			Other	Firefighters	Local Govt	Police
Mean	2019	95%	80%	98%	96%	90%
	2018	95%	96%	97%	93%	95%
	2017	93%	91%	93%	92%	97%
	2016	75%	75%	46%	87%	82%
100% received by deadline	2019	53%	45%	67%	44%	60%
	2018	66%	55%	78%	56%	75%
	2017	60%	45%	73%	45%	79%
	2016	43%	36%	32%	45%	54%

The schemes that missed the ABS deadline for any of their active members were asked whether they reported this to TPR. Just over two-fifths (42%) had done so, with most of these making a breach of the law report (33%).

**Figure 4.6.2 Proportion of schemes reporting to TPR that they missed the deadline for issuing active member statements**

All where deadline was missed for any active members (Base, Don't know, Did not answer question) - Schemes (87, 2%, 0%), Memberships (87, 0%, 0%), Other (6, 0%, 0%), Firefighters (16, 0%, 0%), Local Government (50, 0%, 0%), Police (15, 13%, 0%) – **Caution: Low base sizes for individual scheme types**

Most 'Other' (83%) and Firefighters' (75%) schemes reported the missed deadline, and every 'Other' scheme made a breach of the law report. However, the majority of Local Government (70%) and Police (53%) schemes that missed the deadline did not report it to TPR.

As detailed in Table 4.6.2, Firefighters’ schemes who missed the ABS deadline were notably more likely to report this to TPR than in 2018 (75%, compared with 11% in 2018). However, it should be noted that the 2018 figure was based on just 9 Firefighters’ schemes that missed the deadline for any of their active members.

**Table 4.6.2 Proportion of schemes reporting to TPR that they missed the deadline for issuing active member statements – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	42%	83%	75%	30%	33%
PSPS Survey 2018	34%	80%	11%	33%	40%
PSPS Survey 2017	41%	67%	67%	29%	57%

The majority (71%) of the schemes that did not report the missed ABS deadline to TPR indicated that this was because it was not considered material as few statements were affected. A further 13% stated that it was not material as there was a very short delay.

As detailed in Figure 4.6.3, 92% of schemes reported that all the annual benefit statements they sent out to members in 2019 contained all the data required by regulations. The mean was 100%<sup>10</sup>.

**Figure 4.6.3 Proportion of annual benefit statements sent out in 2019 that contained all data required by regulations**



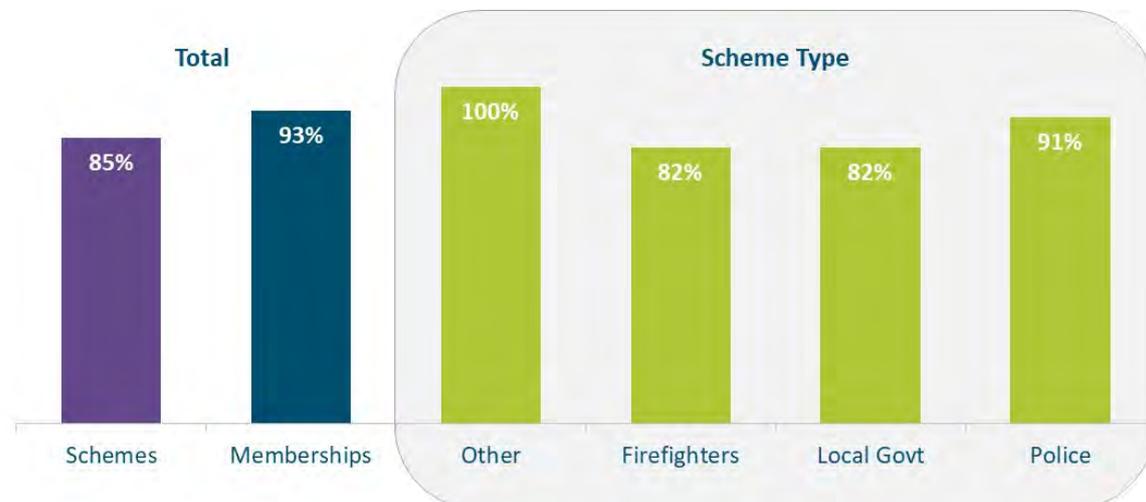
All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 1%), Memberships (202, 1%, 1%), Other (11, 0%, 0%), Firefighters (49, 2%, 0%), Local Government (97, 1%, 3%), Police (45, 7%, 0%)

<sup>10</sup> 99.8% when shown to 1 decimal place.

## 4.7 Resolving issues

The majority (85%) of schemes had a working definition of what constitutes a complaint.

**Figure 4.7.1 Proportion of schemes with working definition of a complaint**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 4%, 1%), Memberships (202, 1%, 1%), Other (11, 0%, 0%), Firefighters (49, 2%, 0%), Local Government (97, 3%, 2%), Police (45, 9%, 0%)

Every 'Other' scheme and 91% of Police schemes had a definition, but this was less widespread among Firefighters' and Local Government schemes (both 82%).

There was no change since 2018 in the overall proportion of schemes that had a working definition of a complaint, although there was an increase among 'Other' schemes (+9 percentage points).

**Table 4.7.1 Proportion of schemes with working definition of a complaint – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	85%	100%	82%	82%	91%
PSPS Survey 2018	86%	91%	83%	85%	91%

Schemes were asked to provide details of the number of complaints they had received in the previous 12 months. This data has been used to estimate the total number of complaints received by public service schemes and show the number of complaints per 1,000 members, as set out in Table 4.7.2.

**Table 4.7.2 Estimated total complaints received in last 12 months**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Total memberships	16,636,723	9,528,824	119,356	6,614,407	374,136
Mean number of complaints	58	850	2	24	3
Total complaints (grossed up)	11,925	9,354	77	2,343	151
Share of all memberships	100%	57%	1%	40%	2%
Share of all complaints	100%	78%	1%	20%	1%
<b>Complaints per 1,000 members</b>	<b>0.7</b>	<b>1.0</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>

Overall, an estimated 11,925 complaints were made to public service schemes in the previous 12 months, equating to 0.7 complaints per 1,000 members. This was the same ratio as seen in the 2018 survey.

‘Other’ schemes were proportionally most likely to generate complaints. They accounted for 57% of all public service pension scheme memberships but 78% of all complaints and received 1.0 complaints per 1,000 members. In comparison, Firefighters’ schemes received 0.6 complaints per 1,000 members, and Local Government and Police schemes both received 0.4.

Schemes were also asked to provide details of the number of complaints entering and upheld by their Internal Dispute Resolution (IDR) process in the previous 12 months. On average, 54% of all complaints entered the IDR process and 28% of these were subsequently upheld. This means that 15% of all complaints entered the IDR process and were upheld.

**Table 4.7.3 Proportion of complaints that entered the IDR process and proportion upheld**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Proportion of complaints that entered the IDR process (mean)	54%	51%	67%	44%	77%
Proportion of those complaints entering the IDR process that were upheld (mean)	28%	63%	30%	19%	42%
<b>Proportion of <u>all</u> complaints that entered the IDR process and were upheld (mean)</b>	<b>15%</b>	<b>32%</b>	<b>20%</b>	<b>8%</b>	<b>32%</b>

Complaints made to Police and Firefighters’ schemes were most likely to enter the IDR process (77% and 67% respectively). However, the proportion of complaints that were upheld by the IDR process was highest for ‘Other’ schemes (63%).

When the above data is combined, it shows that around a third (32%) of all complaints received by 'Other' and Police schemes entered the IDR process and were upheld, compared with 20% for Firefighters' and 8% for Local Government schemes.

As detailed below, the most common types of complaints that entered the IDR process related to eligibility for ill health benefit (54%), followed by disputes or queries about the amount of benefit paid (33%) and inaccuracies or disputes around pension value or definitions (27%).

**Table 4.7.4 Most common types of complaints entering IDR process**

Top Mentions (5%+)	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All with complaints entering the IDR process</i>	137	10	23	80	24
Eligibility for ill health benefit	54%	60%	39%	71%	8%
Disputes or queries about the amount of benefit paid	33%	40%	26%	33%	38%
Inaccuracies or disputes around pension value or definitions	27%	20%	39%	23%	33%
Pension overpayment and recovery	17%	60%	9%	14%	21%
Inaccurate data held and/or statement issued	17%	50%	9%	14%	21%
Delay or refusal of pension transfer	15%	0%	4%	21%	8%
Slow or ineffective communication	9%	10%	4%	13%	0%
Delays to benefit payments	8%	10%	0%	13%	0%
Death grants	5%	0%	4%	6%	4%
Don't know	7%	10%	13%	3%	17%
Did not answer question	1%	0%	4%	0%	0%

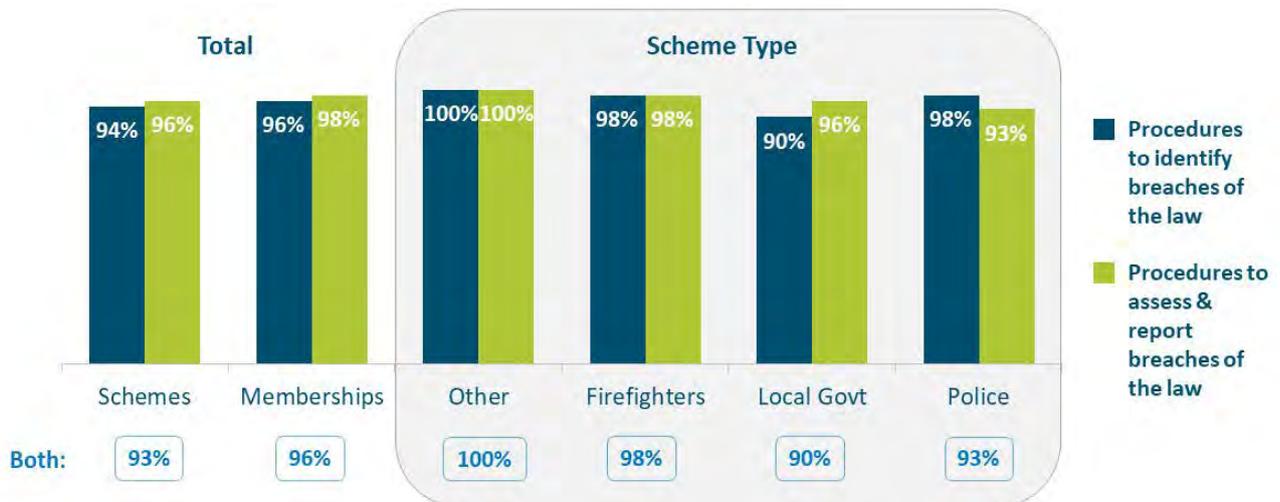
Eligibility for ill health benefit was the most common type of complaint that entered the IDR process for 'Other', Firefighters' and Local Government schemes (60%, 39% and 71% respectively). 'Other' schemes also identified pension overpayment and recovery as a common complaint (60%), and inaccuracies or disputes around pension value or definitions was a common complaint for Firefighters' schemes.

Police schemes were considerably less likely to put ill health benefit complaints into the IDR process (8%); their most common complaints instead related to disputes or queries about the amount of benefit paid (38%) and inaccuracies or disputes around pension value or definitions (33%).

## 4.8 Reporting breaches

The vast majority of schemes had procedures in place to identify breaches of the law (94%) and to assess these and report them to TPR if required (96%). All of the 'Other' schemes had both procedures in place, but Local Government schemes were least likely to have procedures to identify breaches of the law (90%) and Police schemes were least likely to have procedures to assess and report breaches (93%).

**Figure 4.8.1 Proportion of schemes with procedures to identify breaches of the law and to assess breaches of the law and report these to TPR if required**



All respondents (Base, Don't know if procedures to identify, Did not answer if procedures to identify, Don't know if procedures to assess and report, Did not answer if procedures to assess and report) - Schemes (202, 1%, 1%, 0%, 1%), Memberships (202, 1%, 1%, 0%, 1%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 0%, 0%, 0%, 0%), Local Government (97, 2%, 2%, 0%, 2%), Police (45, 2%, 0%, 2%, 0%)

The proportion of schemes with both procedures in place increased from 53% in 2015 to 93% in 2018 but did not change between 2018 and 2019.

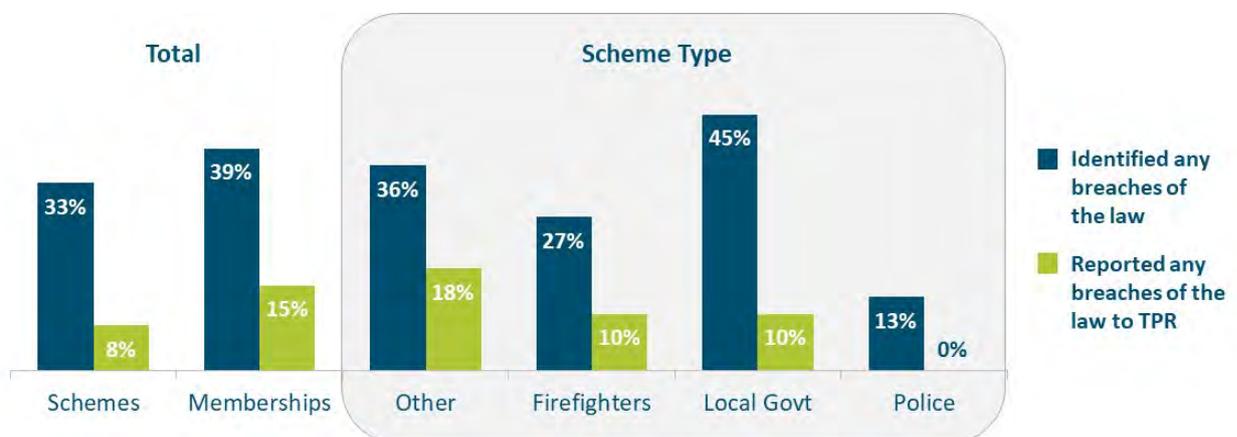
However, there were some changes since 2018 at a scheme type level. The proportion of Firefighters' schemes with both procedures in place increased (+9 percentage points) but there was a fall for Local Government schemes (-4 percentage points).

**Table 4.8.1 Proportion of schemes with procedures to both identify and assess and report breaches of the law – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	93%	100%	98%	90%	93%
PSPS Survey 2018	93%	100%	89%	94%	93%
PSPS Survey 2017	90%	100%	84%	95%	84%
PSPS Survey 2016	84%	100%	78%	91%	69%
PSPS Survey 2015	53%	67%	36%	51%	73%

In addition to asking whether schemes had procedures to identify, assess and report breaches of the law, the survey also captured data on the proportion that had done so in the previous 12 months. For these questions, schemes were asked to exclude any breaches relating to their annual benefit statements.

A third (33%) of schemes had identified non-annual benefit statement breaches of the law in the previous 12 months, and 8% had reported breaches to TPR in this period as they thought they were materially significant (ie around a quarter of those identifying breaches reported them to TPR).

**Figure 4.8.2 Proportion of schemes that identified breaches of the law and reported any breaches to TPR in last 12 months (excluding those relating to annual benefit statements)**

All respondents (Base, Don't know if identified, Did not answer if identified, Don't know if reported, Did not answer if reported) - Schemes (202, 1%, 1%, 0%, 1%), Memberships (202, 0%, 1%, 0%, 1%), Other (11, 0%, 0%, 0%, 0%), Firefighters (49, 2%, 0%, 0%, 0%), Local Government (97, 0%, 2%, 0%, 2%), Police (45, 4%, 0%, 0%, 0%)

The proportion identifying breaches in the previous 12 months was highest for Local Government and 'Other' schemes (45% and 36% respectively). 'Other' schemes were also most likely to have reported breaches to TPR (18%) followed by Firefighters' and Local Government schemes (10% for both). Police schemes were the least likely to identify breaches (13%), and none of these were reported to TPR.

Larger schemes were more likely to have identified non-ABS breaches than smaller schemes; 53% of those with over 30,000 memberships had done so in the previous 12 months, compared with 29% of those with 5,001-30,000 memberships and 17% of those with 5,000 or fewer memberships. The proportion reporting breaches to TPR followed a broadly similar pattern with 12% of those with over 30,000 memberships reporting a breach, compared with 5% of those with 5,001-30,000 memberships and 7% of those with 5,000 or fewer memberships.

Where breaches of the law were identified, they were most commonly attributed to the scheme's employers. Approaching half (45%) of those identifying breaches stated that these were caused by late or non-payment of contributions by the employer(s), 42% cited failure of the employer(s) to provide timely, accurate or complete data and 21% mentioned other employer-related issues.

**Table 4.8.2 Causes of breaches identified (excluding those relating to annual benefit statements)**

	Total	
	Schemes	Memberships
<i>Base: All identifying breaches of the law (not related to ABS)</i>	67	67
Late or non-payment of contributions by the employer(s)	45%	56%
Failure of the employer(s) to provide timely, accurate or complete data	42%	51%
Systems or process failure	24%	14%
Other employer-related issues	21%	44%
Management of transactions (e.g. errors or delays in payments of benefits)	16%	22%
Failure to maintain records or rectify errors	13%	6%
Other	21%	10%
Don't know	0%	0%
Did not answer question	0%	0%

## 4.9 Addressing governance and administration issues

All schemes were asked to identify the top three barriers to improving their governance and administration over the next 12 months. The most widely mentioned was the complexity of their scheme (63%), followed by the volume of changes required to comply with legislation (49%), the McCloud judgement (42%), lack of resources or time (39%), and the recruitment, training and retention of staff and knowledge (36%).

**Table 4.9.1 Barriers to improving governance and administration over next 12 months**

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	11	49	97	45
Complexity of the scheme	63%	27%	84%	56%	64%
The volume of changes that are required to comply with legislation	49%	27%	55%	38%	69%
The McCloud judgement	42%	91%	51%	24%	60%
Lack of resources or time	39%	27%	35%	47%	27%
Recruitment, training and retention of staff and knowledge	36%	9%	31%	42%	33%
Employer compliance	21%	9%	0%	42%	0%
Issues with systems (IT, payroll, administration systems, etc.)	11%	18%	2%	16%	9%
Lack of knowledge, effectiveness or leadership among key personnel	3%	0%	6%	4%	0%
Poor communications between key personnel	3%	0%	2%	4%	2%
Other barriers	7%	36%	8%	5%	4%
There are no barriers	2%	9%	2%	1%	2%
Don't know	0%	0%	2%	0%	0%
Did not answer question	1%	0%	0%	2%	0%

Complexity of the scheme was the most commonly identified barrier for both Firefighters' (84%) and Local Government (56%) schemes, but for Police schemes it was the volume of changes that are required to comply with legislation (69%).

The vast majority of 'Other' schemes (91%) identified the McCloud judgement as one of their top barriers. This was also seen as a major barrier by Police (60%) and Firefighters' (51%) schemes, but fewer Local Government schemes (24%).

Schemes were also asked to what they would attribute any improvements made to their governance and administration in the last 12 months. A variety of improvement drivers were identified, but the major ones were better understanding of the risks facing the scheme (59%) and better understanding of the underlying legislation and standards expected by TPR (57%). A further 38% attributed improvements to resources being increased or redeployed to address risks.

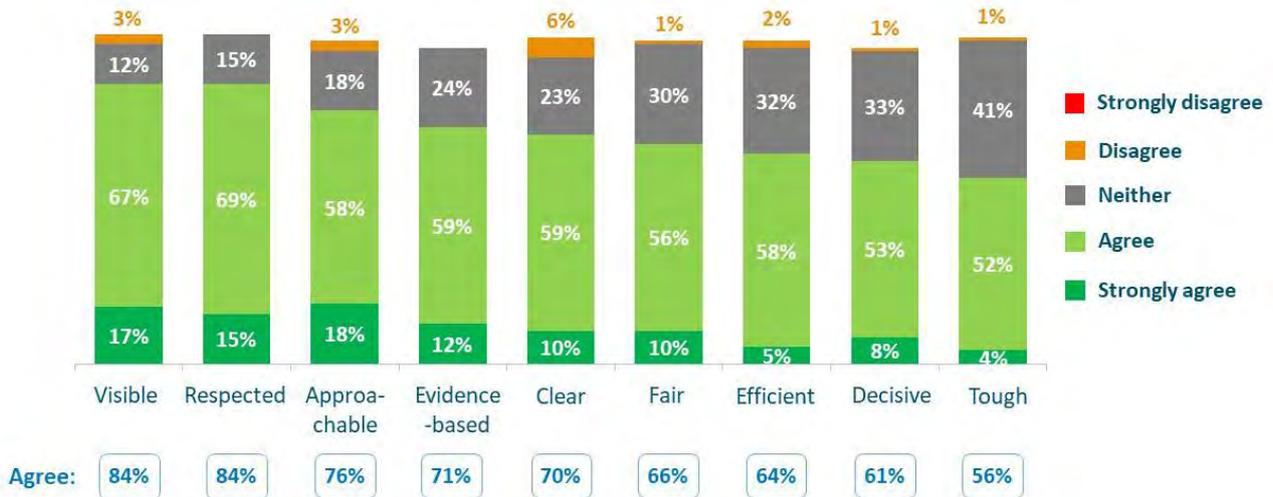
**Table 4.9.2 Drivers of improvements to governance and administration in last 12 months**

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	202	11	49	97	45
Improved understanding of the risks facing the scheme	59%	64%	57%	52%	76%
Improved understanding of underlying legislation and standards expected by TPR	57%	36%	57%	53%	73%
Resources increased or redeployed to address risks	38%	45%	27%	49%	22%
Pension board action	33%	45%	37%	28%	36%
Administrator action	30%	18%	43%	34%	9%
Improved engagement by TPR	24%	36%	14%	26%	27%
Scheme manager action	17%	27%	24%	20%	2%
Other	5%	0%	10%	5%	2%
No improvements made in the last 12 months	2%	0%	6%	1%	2%
Don't know	2%	0%	4%	2%	2%
Did not answer question	1%	0%	0%	3%	0%

### 4.10 Perceptions of TPR

When asked for their perceptions of TPR, schemes were most likely to agree that it was visible and respected (both 84%) and least likely to agree that it is decisive and tough (61% and 56% respectively). Few schemes actively disagreed with each of the descriptors of TPR, with those that did not agree typically indicating that they neither agreed nor disagreed with each one.

Figure 4.10.1 Perceptions of TPR



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 0-4%, 0%)

'Other' schemes typically had the most positive perception of TPR, with 100% agreeing that TPR was respected and approachable. Police schemes were more likely to see TPR as tough (71%) compared with the other three scheme types (52%-55%).

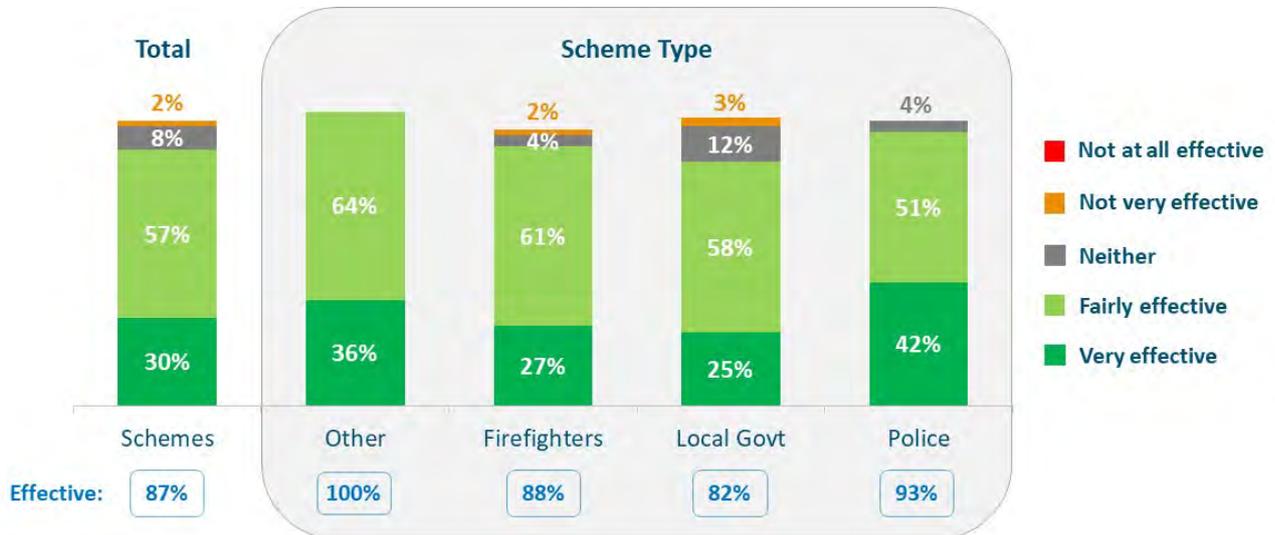
There were increases since 2018 in the proportion seeing TPR as decisive (+8 percentage points), respected (+6 percentage points) and evidence-based (+4 percentage points). However, there was a decrease in the proportion seeing TPR as visible (-5 percentage points).

Table 4.10.1 Proportion of schemes agreeing with descriptors of TPR – Time series

	Visible	Respected	Approachable	Evidence-based	Clear
PSPS Survey 2019	84%	84%	76%	71%	70%
PSPS Survey 2018	89%	78%	73%	67%	70%
PSPS Survey 2017	84%	84%	73%	60%	73%
	Fair	Efficient	Decisive	Tough	
PSPS Survey 2019	66%	64%	61%	56%	
PSPS Survey 2018	66%	60%	53%	55%	
PSPS Survey 2017	71%	64%	50%	47%	

Schemes were also asked how effective they believed TPR to be at improving standards of governance and administration in PSPS. Overall, 87% judged TPR to be effective, with 30% describing it as very effective.

**Figure 4.10.2 Perception of TPR’s effectiveness at improving standards of governance and administration in PSPS**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 0%), Other (11, 0%, 0%), Firefighters (49, 6%, 0%), Local Government (97, 1%, 1%), Police (45, 2%, 0%)

Every 'Other' scheme rated TPR as either very or fairly effective in this regard. Police schemes were the most likely to perceive TPR as very effective (42%).

There was little change in perceptions since 2018, although the proportion of Local Government schemes describing TPR as effective fell (from 89% to 82%).

**Table 4.10.2 Proportion of schemes rating TPR as very or fairly effective – Time series**

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	87%	100%	88%	82%	93%
PSPS Survey 2018	88%	100%	83%	89%	89%
PSPS Survey 2017	91%	100%	92%	90%	91%
PSPS Survey 2016	82%	82%	82%	85%	74%

Schemes were also asked the extent to which they agreed that TPR is effective at bringing about the right changes in behaviour among its regulated audiences. As shown in Figure 4.10.3, three-quarters of all schemes (77%) agreed with this statement, rising to around nine in ten 'Other' (91%) and Police (89%) schemes.

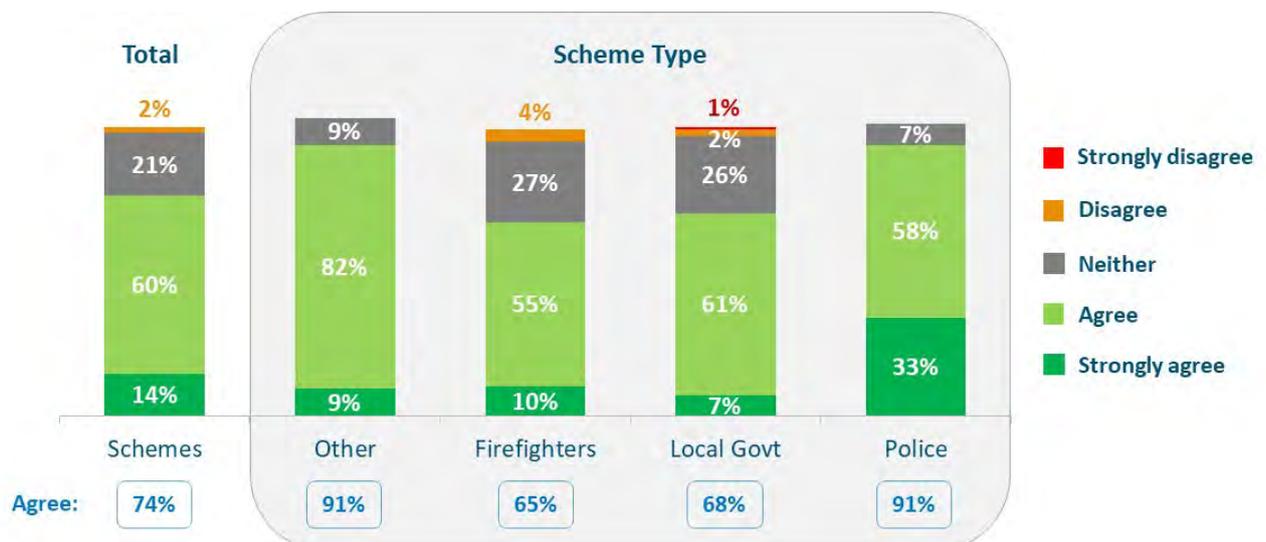
**Figure 4.10.3 Proportion agreeing that TPR is effective at bringing about the right changes in behaviour among its regulated audiences**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 3%, 0%), Other (11, 0%, 0%), Firefighters (49, 4%, 0%), Local Government (97, 3%, 1%), Police (45, 2%, 0%)

When asked the extent to which they agreed that TPR is proactive at reducing serious risks to member benefits, the results were similar. Three-quarters (74%) of schemes agreed with this, and again agreement levels were higher among 'Other' and Police schemes (both 91%) than Firefighters' and Local Government schemes (65% and 68% respectively).

**Figure 4.10.4 Proportion agreeing that TPR is proactive at reducing serious risks to member benefits**



All respondents (Base, Don't know, Did not answer question) - Schemes (202, 2%, 0%), Other (11, 0%, 0%), Firefighters (49, 4%, 0%), Local Government (97, 2%, 1%), Police (45, 2%, 0%)

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**The Pensions Regulator**  
**Public Service Governance and Administration Survey 2020**

**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**

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. Please include any board meetings that were held remotely (e.g. via teleconference or online meeting software)*

- a) Number of board meetings that were scheduled to take place (in the last 12 months) .....4.....
- b) Number of board meetings that actually took place (in the last 12 months) .....4.....
- c) Number of board meetings that were attended by the scheme manager or their representative (in the last 12 months) .....4.....

**A2. ANSWER IF KNOW NUMBER OF BOARD MEETINGS HELD (A1b=0+)**

Thinking about the number of pension board meetings that took place, was this more, the same or less than in the previous 12 month period?

*Please select one answer only*

- 1. More
- 2. Same
- 3. Less
- 4. Don’t know

**A3. 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

**A4. 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

**A5. 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

**A6. 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*

..... 10..... hours per year

**A7. 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

**A8. EVERYONE TO ANSWER**

**Is the pension board able to obtain sufficient specialist advice on cyber security when it needs to?**

*Please select one answer only*

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

**A9. 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 .....8.....
- 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.....

**A10. 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

**SECTION B – MANAGING RISKS**

The next set of questions is about managing risks.

**B1. EVERYONE TO ANSWER**

Does your scheme have any of the following?

Please select one answer per row

	Yes	No	Don't know
a) 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)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) A documented policy to manage the pension board members' conflicts of interest	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Processes to monitor records for all membership types on an ongoing basis to ensure they are accurate and complete	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) A process for monitoring the payment of contributions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) A process for resolving contribution payment issues	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Procedures to identify breaches of the law	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Procedures to assess breaches of the law and report these to TPR if required	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**B2. ANSWER IF HAVE ANY OF THE KEY PROCESSES AT B1**

**When were these last reviewed by the scheme manager or pension board?**

<i>Please select one answer per row (just for those selected at B1)</i>	In the last 12 months	More than 12 months ago but less than 3 years ago	More than 3 years ago	Never been reviewed	Don't know
a) The scheme's own documented procedures for assessing and managing risk	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) The documented policy to manage the pension board members' conflicts of interest	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) The processes to monitor records for all membership types on an ongoing basis to ensure they are accurate and complete	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) The process for monitoring the payment of contributions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) The process for resolving contribution payment issues	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) The procedures to identify breaches of the law	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) The procedures to assess breaches of the law and report these to TPR if required	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**B3. 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

**B4. 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*

.....4.....

**B5. 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. Remediation (i.e. the actions required to remedy the age discrimination in the 2015 schemes; also referred to as 'McCloud' or 'Sergeant')
16. Other (please specify): .....
17. Don't know

**B6. EVERYONE TO ANSWER**

**Which, if any, of the following actions have you taken in relation to the remediation proposals?**

**By 'remediation' we mean the actions required to remedy the age discrimination in the 2015 schemes. This is also often referred to as either 'McCloud' or 'Sergeant'.**

*Please select all the options that apply*

1. Assessed the possible administration impacts
2. Assessed the data requirements
3. Commenced a specific data cleansing or data gathering exercise
4. Assessed any additional resources likely to be required
5. Discussed system requirements with IT suppliers
6. Provided specific information to members
7. Taken other actions (please specify): .....
8. None of these
9. 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**

Thinking about the scheme's objectives in terms of administration, how important are the following?

<i>Please select one answer per row</i>	Not at all important	Not particularly important	Neither important nor unimportant	Fairly important	Very important	Don't know
a) Addressing issues which impair your ability to run your scheme effectively	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
b) Implementing legislative change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
c) Meeting TPR's expectations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d) Improving members' experience (e.g. by providing online access)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
e) Increasing automation or administrator efficiency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
f) Moving to a new administration system or a new administrator	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Reducing costs	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**C3. 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 outsourcing contract
3. Outsourced to a commercial third party
4. Other
5. Don't know

**C4. ANSWER IF ADMINISTRATION IS CURRENTLY DELIVERED IN-HOUSE (C3=1)**

Are you likely to look to outsource any of your scheme administration in the next three years?

*Please select one answer only*

1. Yes – to another public body (e.g. a county council) under a shared service agreement or outsourcing contract
2. Yes – to a commercial third party
3. Yes – but unsure who to
4. No
5. Don't know

**C5. 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*

.....4.....

**C6. 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)

**C7. ANSWER IF SINGLE EMPLOYER SCHEME (C6=1)**

**In the last 12 months, has your participating employer...**

*Please select one answer per row*

	Yes	No	Don't know
a) Always provided you with accurate and complete data?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Always submitted the data required each month to you on time?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**C8. ANSWER IF SINGLE EMPLOYER SCHEME (C6=1)**

**And in the last 12 months, has your participating employer submitted data to you electronically?**

*Please select one answer only*

1. Yes – all data
2. Yes – some but not all data
3. No
4. Don't know

**C9. ANSWER IF MULTI-EMPLOYER SCHEME (C6=2)**

**In the last 12 months, what proportion of your scheme's employers have...**

*Please write in the percentage (from 0% to 100%) in each box. If you don't know exactly, please give approximate percentages*

- a) Always provided you with accurate and complete data? ..... %
- b) Always submitted the data required each month to you on time? ..... %

**C10. ANSWER IF MULTI-EMPLOYER SCHEME (C6=2)**

**And in the last 12 months, what proportion of your scheme's employers have...**

*Please write in the percentage (from 0% to 100%) for each of a-c below. If you don't know exactly, please give approximate percentages. The percentages in the boxes should sum to 100%*

- a) Submitted all data to you electronically? ..... %
- b) Submitted some but not all data to you electronically? ..... %
- c) Not submitted any data to you electronically? ..... %

## **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 OR ATTACKS 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

**D4. ANSWER IF EXPERIENCED ANY CYBER SECURITY BREACHES OR ATTACKS IN THE LAST 12 MONTHS (D2=1-9)**

**Did you report any of these cyber security breaches or attacks to...?**

*Please select all the options that apply*

1. The pension board
2. Information Commissioner's Office (ICO)
3. TPR
4. Members of your scheme
5. None of these
6. Don't know

**D5. ANSWER IF EXPERIENCED ANY CYBER SECURITY BREACHES OR ATTACKS IN THE LAST 12 MONTHS & HAVE INCIDENT RESPONSE PLAN (D2=1-9 & D1=11)**

**Still thinking about the cyber security breaches or attacks experienced in the last 12 months, did any of these trigger your scheme's incident response plan?**

*Please select one answer only*

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

**D6. ANSWER IF INCIDENT RESPONSE PLAN WAS TRIGGERED BY ANY CYBER SECURITY BREACHES OR ATTACKS IN THE LAST 12 MONTHS (D5=1)**

**How would you rate the effectiveness of the incident response plan?**

*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

**D7. ANSWER IF INCIDENT RESPONSE PLAN WAS TRIGGERED BY ANY CYBER SECURITY BREACHES OR ATTACKS IN THE LAST 12 MONTHS (D5=1)**

**Have these experiences of implementing the incident response plan led you to make any changes to it?**

*Please select one answer only*

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

**SECTION E – ANNUAL BENEFIT STATEMENTS**

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

**E1a. EVERYONE TO ANSWER**

**In 2020, in which of the following ways were your active members sent their annual benefit statements?**

*Please select all the options that apply*

- 1. Via a digital online portal, with notification by email
- 2. Via a digital online portal, with notification by letter
- 3. Via a digital online portal, with no notification
- 4. **By post**
- 5. Other way(s) (please specify): .....
- 6. Don't know

**E1b. ANSWER IF USED MORE THAN ONE METHOD TO SEND ANNUAL BENEFIT STATEMENTS AT E1a**

**In 2020, what proportion of your active members were sent their annual benefit statements in each of these ways?**

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

- a) Via a digital online portal, with notification by email ..... %
- b) Via a digital online portal, with notification by letter ..... %
- c) Via a digital online portal, with no notification ..... %
- d) **By post .....100..... %**
- e) Other way(s) (please specify): ..... %

**E2. EVERYONE TO ANSWER**

**In 2020, 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*

**.....100..... %**

**E3. ANSWER IF DEADLINE WAS MISSED FOR ANY MEMBERS (E2=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

**E4. ANSWER IF MISSED DEADLINE WAS NOT REPORTED TO TPR (E3=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

**E5. EVERYONE TO ANSWER**

**What proportion of all the annual benefit statements the scheme sent out in 2020 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 F – RESOLVING ISSUES**

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

**F1. 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

**F2. EVERYONE TO ANSWER**

**Focusing on the complaints you have received 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 a number for each of a-c below*

- a) **Total** number of complaints received in the last 12 months .....1.....
- b) Number of complaints that have entered the Internal Dispute Resolution (IDR) process in the last 12 months .....1.....
- c) Number of complaints that were upheld by the IDR process in the last 12 months .....1.....

**F3. ANSWER IF ANY COMPLAINTS ENTERED THE IDR PROCESS IN THE LAST 12 MONTHS (F2b>0)**

**In the last 12 months, to what did the top three types of complaints entering 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): **The pensionability of an allowance**
10. Don't know

**SECTION G – REPORTING BREACHES**

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

**G1. EVERYONE TO ANSWER**

**Do you maintain documented records of any breaches of the law identified?**

*Please select one answer only*

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

**G2. ANSWER IF MAINTAIN RECORDS OF BREACHES OF THE LAW (G1=1)**

**Do these records include the decision taken on whether or not to report the breach of the law to TPR?**

*Please select one answer only*

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

**G3. EVERYONE TO ANSWER**

**Does the pension board receive reports on any breaches of the law identified?**

*Please select one answer only*

1. **Always**
2. Sometimes
3. Never
4. Don't know

**G4. EVERYONE TO ANSWER**

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

*Please select one answer only*

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

**G5. ANSWER IF ANY BREACHES OF THE LAW NOT RELATED TO ANNUAL BENEFIT STATEMENTS HAVE BEEN IDENTIFIED IN THE LAST 12 MONTHS (G4=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

**G6. ANSWER IF ANY BREACHES OF THE LAW NOT RELATED TO ANNUAL BENEFIT STATEMENTS HAVE BEEN IDENTIFIED IN THE LAST 12 MONTHS (G4=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 H – GOVERNANCE AND ADMINISTRATION**

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

**H1. EVERYONE TO ANSWER**

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

*Please select up to three options below*

1. Improved understanding of underlying legislation and standards expected by TPR
2. Improved engagement by TPR
3. Improved understanding of the risks facing the scheme
4. Resources increased or redeployed to address risks
5. Administrator action (please specify): .....
6. Scheme manager action (please specify): introduction of the LPB TNA and arrangements to focus on LPB member development
7. Pension board action (please specify): .....
8. Other (please specify): .....
9. No improvements made to governance/administration in the last 12 months
10. Don't know

**H2. 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 remediation process (also referred to as ‘McCloud’ or ‘Sergeant’)
10. Other (please specify): .....
11. There are no barriers
12. Don’t know

**SECTION I – COVID-19 PANDEMIC**

The next set of questions is about the COVID-19 pandemic.

**I1. EVERYONE TO ANSWER**

**Since the COVID-19 lockdown started in March 2020, how would you rate the following?**

<i>Please select one answer per row</i>	Not at all effective	Not very effective	Neither effective nor ineffective	Fairly effective	Very effective	Don't know
<b>a) Communication between the scheme manager and the administrator</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
<b>b) Performance of the administrator</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
<b>c) Relationship between the scheme manager and the pension board</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**I2. EVERYONE TO ANSWER**

**Prior to the COVID-19 lockdown did your scheme have a business continuity plan (BCP) in place?**

*Please select one answer only*

1. Yes – its own BCP
2. Yes – the local authority’s BCP
3. No
4. Don’t know

**I3. ANSWER IF HAD BCP IN PLACE (I2=1-2)**

**How would you rate the effectiveness of the BCP in helping your scheme respond to the COVID-19 pandemic?**

*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

**I4. ANSWER IF HAD BCP IN PLACE (I2=1-2)**

**What barriers, if any, did you face in implementing the BCP?**

*Please select up to three options below*

1. Key person risks
2. Staff shortages
3. Issues with administration processes
4. Issues with employer(s)
5. Suitability of IT infrastructure
6. Suitability of IT hardware (i.e. equipment)
7. Suitability of IT software
8. Ability of staff to work from home
9. Lack of leadership
10. Other (please specify): .....
11. There were no barriers
12. Don't know

**SECTION J – PENSIONS DASHBOARDS**

**The government has made a commitment to facilitate the pensions industry in the creation of a digital interface that will present all of a person's pensions together in one place. It is most often referred to in the industry as the 'pensions dashboards' project.**

**J1. EVERYONE TO ANSWER**

**Before this survey, had you heard about pensions dashboards?**

*Please select one answer only*

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

**J2. ANSWER IF AWARE OF PENSIONS DASHBOARDS (J1=1)**

**The Pension Schemes Bill currently going through Parliament contains provisions to require trustees and scheme managers to provide data to savers through pensions dashboards. Before today, were you aware of this proposed change to pensions law?**

*Please select one answer only*

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

**J3. EVERYONE TO ANSWER**

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

<i>Please select one answer per row</i>	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Don't know
<b>a) The introduction of pensions dashboards is, in principle, a good idea for savers</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>b) ANSWER IF AWARE OF PENSIONS DASHBOARDS (J1=1): The scheme will be able to deal with any administrative demands involved in delivering the pensions dashboards</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>c) ANSWER IF AWARE OF PENSIONS DASHBOARDS (J1=1): It will be easy for the scheme to implement</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>d) ANSWER IF AWARE OF PENSIONS DASHBOARDS (J1=1): The scheme will leave it as late as possible before preparing for the pensions dashboards</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**J4. ANSWER IF AWARE OF PENSIONS DASHBOARDS (J1=1)**

**What, if any, challenges is the scheme likely to face in terms of preparing for the pensions dashboards?**

*Please select up to three options below*

1. Knowing what is required
2. Availability of data
3. Accuracy of data
4. Participating employer reticence
5. Cost
6. Software compatibility
7. Capacity constraints
8. Other (please specify): .....
9. None – do not expect to face challenges
10. Don't know

**J5. EVERYONE TO ANSWER****From where do you expect to learn about the requirements for the pensions dashboards?***Please select all the options that apply*

1. The Pensions Dashboards Programme (PDP) (led by the Money and Pensions Service)
2. TPR
3. The Financial Conduct Authority (FCA)
4. The Department for Work and Pensions (DWP)
5. Your scheme advisory board
6. Industry bodies e.g. PASA, PLSA
7. Somewhere else (please specify): **The LGA**
8. Don't know

**SECTION K – CLIMATE CHANGE (FOR LOCAL GOVERNMENT SCHEMES ONLY)****The next set of questions is about climate change.****K1. ANSWER IF LOCAL GOVERNMENT SCHEME****Firstly, has your scheme allocated time or resources to assessing any financial risks and opportunities associated with climate change?***Please select one answer only*

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

**K2. ANSWER IF ALLOCATED TIME/RESOURCES TO CLIMATE CHANGE (K1=1)****Has your scheme done any of the following...?****Please answer yes if these have been done by advisers acting on your behalf.***Please select one answer per row*

	Yes	No	Don't know
a) Assessed the risks and opportunities for your scheme from particular climate-related scenarios	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Assessed your scheme portfolio's potential contribution to global warming (this is also referred to as the 'implied temperature rise' of the portfolio)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Tracked the carbon intensity of your scheme's portfolio	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**K3. ANSWER IF ALLOCATED TIME/RESOURCES TO CLIMATE CHANGE (K1=1)****Which of the following processes do you use to manage climate-related risks and opportunities?***Please select one answer per row*

	Yes	No	Don't know
a) Include climate-related issues as a regular agenda item at pension board meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Assign responsibility for climate-related issues to a specified individual or sub-committee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Include, monitor and review targets in the scheme's climate policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Add climate-related risks to your risk register	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**K4. ANSWER IF LOCAL GOVERNMENT SCHEME**

Thinking about your scheme's investment and funding strategy, to what extent do you consider the following? Please answer on a scale of 1 to 5, where 1 means 'you do not consider this at all' and 5 means 'it is a very significant consideration for your scheme'.

<i>Please select one answer per row</i>	1 – Do not consider this at all	2	3	4	5 – Very significant consideration	Don't know
a) Physical risks such as weather events, sea level exposure, heat wave exposure and drought risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Transition risks such as increased pricing of greenhouse gas emissions and moves towards low-carbon policies and technologies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Climate-related opportunities such as improved creditworthiness of the low-carbon sector or investments in new technologies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) The participating employer's/employers' exposure to climate-related factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**K5. ANSWER IF ALLOCATED TIME/RESOURCES TO CLIMATE CHANGE (K1=1)**

**Have you taken any of the following actions on stewardship in order to help with your management of climate risks?**

**By stewardship we mean the responsible allocation, management and oversight of capital to create long-term value for pension scheme members.**

*Please select one answer per row*

	Yes	No	Don't know
a) <b>Talked to advisers and asset managers about how climate-related risks and opportunities are built into their engagement and voting policies</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) <b>When appointing new asset managers, asked the prospective manager how they include climate factors in engagement and voting behaviour</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) <b>When outsourcing activities, set out in legal documents your expectations on climate stewardship and approaches (e.g. in the Investment Management Agreement or in side letters to pooled fund documentation)</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) <b>Joined collaborative engagement efforts on climate change</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) <b>Signed the UK Stewardship Code</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**K6. ANSWER IF LOCAL GOVERNMENT SCHEME**

**Are you aware of the work of the Taskforce on Climate-related Financial Disclosures (TCFD)?**

**The Taskforce has made recommendations that help investors to understand financial exposure to climate risk and disclose this information in a clear and consistent way.**

*Please select one answer only*

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

**K7. ANSWER IF AWARE OF TCFD (K6=1)**

**Does your scheme make disclosures as recommended by the TCFD?**

*Please select one answer only*

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

**SECTION L – PERCEPTIONS OF TPR**

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

**L1. 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 disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Don't know
a) Tough	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Efficient	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Visible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Fair	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Respected	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
f) Evidence-based	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Decisive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Clear	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
i) Approachable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**L2. 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

**L3. EVERYONE TO ANSWER**

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

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

## **SECTION M – 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.**

### **M1. 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.*

### **M2. 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

### **M3. 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

### **M4. 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

**M5. 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

**M6. 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*

.....Caroline Gourlay.....

**M7. 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*

Questions C6 to C10 inclusive are very confusing. It looks as though these should be aimed at administrators of schemes rather than other respondents?

The Cyber security questions at D2 could be improved (we highlighted this in last year's return). Included 'attacks' and 'breaches' in the same question set is not helpful because the responses will be very different, e.g. D2 Q6 "Staff receiving fraudulent emails or being directed to fraudulent websites" is an almost daily occurrence but systems, training, awareness prevents such phishing emails developing into an attack. This section could be improved by asking about arrangements to prevent breaches (i.e. successful attacks) e.g. including whether penetration testing has been undertaken. The National Cyber Security Centre might be able to assist in developing this question set for next year.

**Thank you. Please now submit your responses through the [online survey link](#) contained in your invitation email. If you have any queries or technical issues please contact James Murray (Director, OMB Research) at [james.murray@ombresearch.co.uk](mailto:james.murray@ombresearch.co.uk)**

## Public service

### Internal controls Checklist

Use this checklist to evaluate your scheme's internal controls.

Action	Notes	Yes/No
Do you have effective arrangements and procedures to ensure that the pension scheme is being run in accordance with the scheme rules and requirements of law?	See paragraphs 94-112 in the code at <a href="http://www.tpr.gov.uk/code14">www.tpr.gov.uk/code14</a> . Consider if you need to put further arrangements and procedures in place.	Yes ( <b>NOTE: for all questions please see also updated version of tPR self-assessment</b> )
Do you regularly review the arrangements and procedures?	If yes, how often?	Monthly (management mtg) & quarterly LPB
Do you have a process to identify risks?		Yes
Do you have a process to evaluate risks?		Yes
Do you have in place processes or controls to manage risks?		Yes
Do you have a risk register to record all risks identified and action taken?	See our example risk register at <a href="http://www.tpr.gov.uk/ps-risk-register">www.tpr.gov.uk/ps-risk-register</a>	Yes
Do you regularly review the risk register?	If yes, how often?	Monthly (management mtg) & quarterly LPB

<b>Action</b>	<b>Notes</b>	<b>Yes/No</b>
Do you have a standing item on the pension board agenda to review scheme risks?		Yes

If you have answered no to any of these questions, you should review your processes to ensure that they are fit for purpose.

TPR Self-Assessment - Draft Summary (290121)

	Dec-16	Nov-17	Apr-18	Aug-18	Oct-18	Sep-19	Jun-20	Jan-21	Commentary/Evidence	CG's follow up comments (29.01.2021)
<b>Governing your scheme</b>										
1. Have you clearly defined and recorded the roles & responsibilities of the pension board?	Amber	Amber	Green	Green	Green	Green	Green	Green	Roles and Responsibilities agreed by LPB 8 Aug 2019 and published on website.	Roles & responsibilities are clearly defined & published on our website
2. Have you published information about the pension board and ensured it is kept up to date?	Amber	Green	Green	Amber	Green	Green	Green	Green	Website live and up to date.	This is up to date, and is reviewed (at worst) quarterly before each LPB meeting
3. Do you have policies and arrangements in place to help pension board members acquire and retain the requisite knowledge and understanding?	Amber	Amber	Green	Green	Green	Green	Green	Green	Arrangement in place and all members tasked with completing the e-learning on TPR website. The requirement to undertake personal training is defined in the Terms of Reference	The previous comment remains true
4 (a) Do you use training Plans for your pension board?	Amber	Amber	Amber	Green	Green	Green	Green	Green	Completion of TPR eLearning modules when first joining. Attending at least one LGA organised event per year. LGA CPD accredited courses will be included in development plans once available	The previous comments remain true
4 (b) Do you use individual training needs analysis for your pension board?	Amber	Green	New LPB members required to undertake TPR eLearning and initial LGA training. Sept 2019 - TPR tool for TNA to be assessed as means of formally recording TNA	Since the last review, training needs analysis forms have been created & issued to LPB members for completion.						
4 (c) Do you use training logs for your pension board?	Red	Amber	Green	Green	Green	Green	Green	Green	Training log updated on completion of TPR e-learning modules. Sept 2019 - Training log will be expanded to include other development activities.	The previous comments remain true
5. Do you have a conflicts policy and procedure for pension board members?	Red	Green	Yes - and is a standing item at start of each LPB agenda.	The previous comments remain true						
6. Do you have a register of interests (or equivalent)?	Red	Green	Yes	The previous comments remain true						

**TPR Self-Assessment - Draft Summary (290121)**

	Dec-16	Nov-17	Apr-18	Aug-18	Oct-18	Sep-19	Jun-20	Jan-21	Commentary/Evidence	CG's follow up comments (29.01.2021)
<b>Managing Risks and Issues</b>										
1. Do you have procedures in place for assessing and managing risk?	Red	Amber	Amber	Amber	Amber	Green	Green	Green	RR and internal controls now part of LPB work programme.	The previous comments remain true
2. Do you have a risk register?	Red	Amber	Amber	Amber	Amber	Amber	Green	Green	RR and internal controls now part of LPB work programme.	The previous comments remain true
3. Where you have outsourced services, do you ensure that providers demonstrate that they have internal controls in place?	Amber	Green	Procurement process identified quality controls. WYPF report and KPIs External Auditors undertake annual review	The previous comments remain true						
4. Do you have a service level agreement, or equivalent, in place with your scheme administrators, whether in house or outsourced?	Green	Service level agreement in place between the Service and West Yorkshire Pension Fund	The previous comments remain true							
5. Are your internal dispute resolution arrangements clearly communicated to members and others?	Amber	Green	WYPF website includes guidance on IDRPs and DSFRS website has link to this guidance.	The previous comments remain true						
6. Do you have procedures in place identify, assess and report breaches of the law?	Red	Green	Reporting breaches procedure in place and breaches have been reported	The previous comments remain true						

TPR Self-Assessment - Draft Summary (290121)

	Dec-16	Nov-17	Apr-18	Aug-18	Oct-18	Sep-19	Jun-20	Jan-21	Commentary/Evidence	CG's follow up comments (29.01.2021)
<b>Administration</b>										
1. Do you have a process in place to ensure that information is provided to TPR as required (e.g. through the scheme return)?	Green	TPR returns are completed by delegated scheme manager as part of business as usual	The previous comments remain true							
2. 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?	Green	Processes are established through SLA and KPIs with the WYPF Deferred members are contacted by WYPF annually and receive an ABS and are encouraged to ensure their details are up to date and to contact WYPF if changes are required	The previous comments remain true							
3. Do you have controls in place to ensure that you employer(s) provides timely, accurate and complete data?	Green	Monthly checks before data is sent to WYPF. WYPF runs quarterly data scoring reports. Sept 19 - Looking to establish LPB dashboard of KPIs that will provide assurance on data accuracy	Since the last review, the provision of data to WYPF in a timely manner is being monitored on a monthly basis as a KPI. Other measures are work in progress.							
4. When did you last carry out a data review exercise?	Green	Major review completed March 2018 with the Pension Administrator transfer. P&C team regularly keep data accuracy under review as part monthly checks before data is sent to WYPF.	Regular monthly review of data prior to sending across to WYPF. WYPF also check, where necessary, on receipt.							
5. Where you have identified poor quality or missing data, do you have an improvement plan to address issues?	Green	Green	Green	Amber	Amber	Green	Green	Green	Issues are reported through the monthly report to management from WYPF. Data issues were identified during transfer to new scheme administrator but these issues were resolved. Where issues are identified plans are put in place to address as quickly as possible	The previous comments remain true
6. Do you have processes in place for monitoring scheme contribution, resolving issues and assessing whether to report payment failures to TPR?	Green	Finance department monthly procedures	The previous comments remain true							
7. Have you reviewed your processes for issuing annual benefit statements to ensure they are fit for purpose?	Green	Moved to new provider April 2018 and are satisfied with their arrangements and processes were reviewed. Issues from 2019 ABS manual production of data have been addressed and an automated approach is in place for 2020. When ABS are run, any statements that show unexpected results are subject to manual intervention. The system is then adjusted to account for this for the following year.	The previous comments remain true							
8. Have you taken steps to ensure that member communications are clear, accurate and easily accessible?	Amber	Green	Procurement process reviewed communications – SLA. WYPF website is easy to use and find information and provide helpline. Internal communication via Shout Out e.g. early retirement seminars and guidance on annual allowance	The previous comments remain true						

Page 129

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## Entitlement to two pensions

### Introduction

An entitlement to two pensions after a drop in pay is colloquially known as a “split pension”.

This factsheet has been prepared to give guidance to FRAs on when entitlement to two pensions occurs under the Firefighters' Pension Scheme 1992 (FPS1992) and the Firefighters' Pension Scheme 2006 (FPS2006) and how it is calculated.

### Entitlement to the two pension rule

Entitlement to two pensions occurs when there is a drop in pay before a person is moved to the Firefighters' Pension Scheme 2015 (FPS2015), or where the person is a protected member of either FPS1992 or FPS2006.

Regulations in the FPS1992 [B5A] and FPS2006 [Part 3, Rule 7] came into force from 1 April 2007 to allow for two pensions. See [here](#) for full consolidated regulations.

The entitlement to two pensions occurs when a person suffers a reduction to the amount of pensionable pay on a) taking up a different role, or b) becoming entitled to a different rate of pay in the existing role.

A drop in pay that occurs after a person has moved into FPS2015 is explained [later](#) in this note.

## Calculation of the Two Pension Rule

### FPS1992

#### Protected Members:

A formula applies to protect the double accrual at the highest pay. The formula for calculating two pensions is set out in the regulations under paragraph 3 & 4 of rule B5A. [Appendix 1](#) sets out the formula for the calculation, with an example.

## Unprotected members, drop in pay occurs before moving to FPS2015:

Where a member has a drop in pay that occurred before they were moved to FPS2015, the same formula is used. However, the number of sixtieths used in the calculation needs to be adjusted. Please see [Appendix 2](#) for an example of this calculation

## FPS2006

In the case of FPS2006, calculation of two pensions is more straightforward.

Part 3, rule 7, paragraphs 3 & 4 prescribe that the first pension is calculated based on the pensionable pay at the highest level multiplied by the service built up to the date of drop and divided by 60. The second pension is calculated based on pensionable pay at date of retirement, multiplied by service from the date of drop and divided by 60. An example is given at [Appendix 3](#).

## Applying indexation to the first pension

Amendment order [2018/997](#) amends Rule B5A and Part 3, Rule 7 to confirm that indexation on two pensions should apply as if it were under the Pensions (Increase) Act 1971 [PIA<sup>1</sup>]. This does not change the position set out in guidance issued in [FSPC 3/2010](#)

It is important to note that the regulation does not apply actual pension increases under the pension increase act, rather it instructs the pension to be indexed by an 'equivalent' to PI. This is important because it means the payment is not subject to the Act's qualifying conditions.

Account is taken of a pension's beginning date when the increases are applied. The beginning date is the first day after the last day of service at the higher rate of pay.

When the pension is calculated at retirement age the first pension based on the higher rate of pay would be increased by the pension increase order. For example, where a firefighter has entitlement to two pensions for which the drop in pay occurred eight years before retirement, the value of the first pension would be increased by reference to all the Pensions Increase Orders that had effect in the previous eight years.

The second pension is calculated based on the pensionable pay on retirement. The two pensions would then be added together in order to compare against the alternative single pension, and the higher pension put into payment.

Please see [Appendix 1](#) for an example of applying indexation.

Please note that whilst the value of Part 1 of the pension at retirement will include the equivalent PI amount, there will be no further increases under the pensions act until age 55 unless retirement is on ill health grounds.

The [archived commentary](#) is a useful reference on applying the indexation.

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<sup>1</sup> <https://www.legislation.gov.uk/ukpga/1971/56/contents>

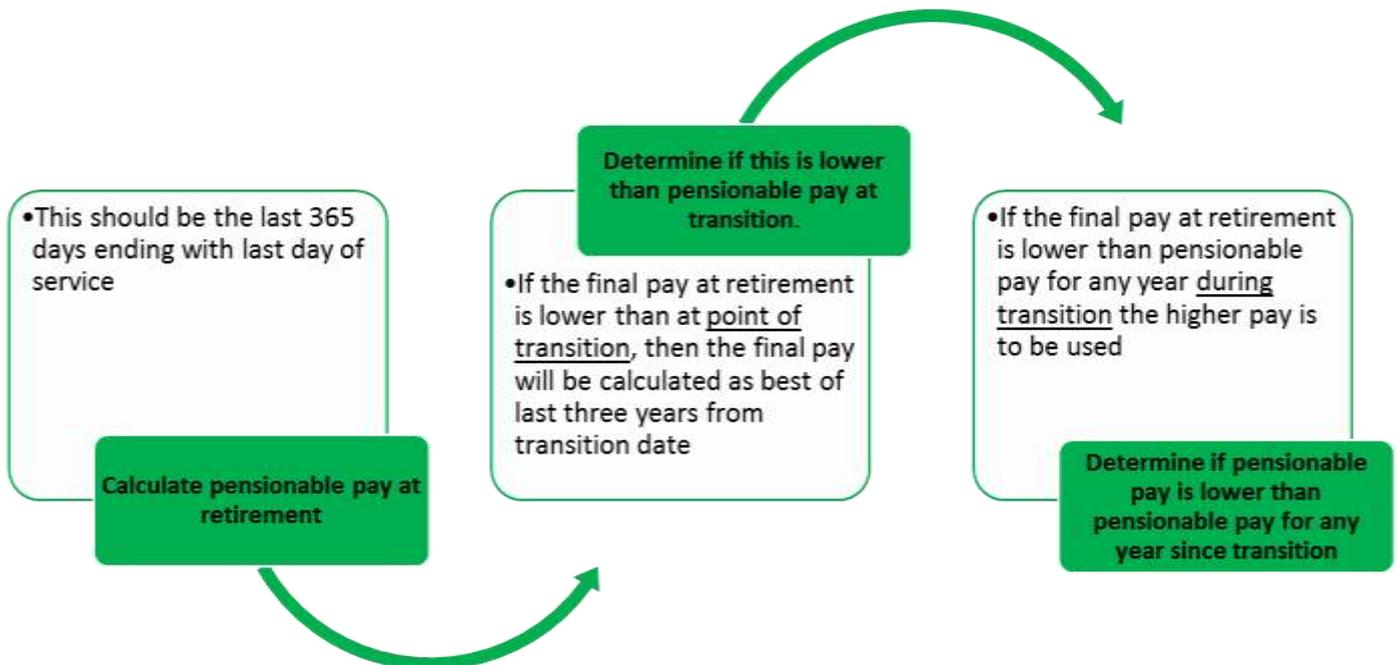
## Where the drop in pay occurs after transition to FPS2015

Where a member has a drop in pay after moving to FPS2015, the transitional provisions [Appendix 4] provide for protection and instruct the highest rate of pay since transition to be used in the calculation of the final salary pension.

At retirement the administrator should compare the pensionable pay for the last 365 days ending with the last day of service at two points:

1. Pensionable pay at the point of transitioning to FPS2015. For tapered members who have tapered into the scheme on any of the dates listed in Part 4 of schedule 2<sup>2</sup>, consideration should be given to how this pay is recorded for later comparison.
2. Pay at retirement should be compared to the pay at any point since transitioning. If the pay at any point is higher the higher pay is to be awarded.

This can be illustrated as follows:



<sup>2</sup> <http://www.legislation.gov.uk/ukxi/2014/2848/schedule/2/part/4/made>

## Other considerations

### Supplying information to your administrator

When a drop in pay occurs the employer (FRA) must inform their pension administrator that this has happened as it automatically triggers entitlement to the two pension award. The pension administrator should record the average pensionable pay at the point of the drop, i.e. the last 365 days pay, and note the entitlement.

At retirement, the administrator should perform both the two pension calculation and the single award and award the highest of the two calculations.

### Communicating entitlement to two pensions to members

It is recommended good practice to acknowledge the entitlement of two pensions to the member, along with confirmation that the two calculations will be performed at retirement and the member will be given the highest calculation.

Annual Benefit Statements should note that the entitlement applies and the calculation will be performed at retirement to determine the value of the pension.

**It is not normally necessary to provide estimates unless the member is significantly close to retirement.**

## Frequently Asked Questions

- Q1 Does the reason for the drop in pay affect entitlement?
- A1 The regulations do not cite reasons for a reduction in pay, only that when it occurs the entitlement to two pensions arises. You can therefore draw from that, that a drop in pay for any reasons, such as temporary employment ceasing, disciplinary measures, voluntary change of circumstances are all valid reductions.
- Q2 Can you split the pension more than once?
- A2 No. The legislation refers to 'entitlement to two pensions', this allows the pension to be split once only, if the pay subsequently rises and then falls again, the pension is split at the highest point of pay.
- Q3 What happens if the reduction in pay occurred before 1 April 2007?
- A3 Under FPS1992, only a drop in pay since 1 April 2007 can qualify a member for entitlement to two pensions. As FPS2006 was introduced from 6 April 2006, any reduction in pay for a member of FPS2006 would trigger an entitlement to two pensions.
- Q4 How are temporary promotions affected?
- A4 A drop in pay that occurs due to the cessation of a temporary promotion that had been in place before 1 July 2013 would be eligible for the two pension rule.
- From 1 July 2013 temporary promotion has not been pensionable, therefore the cessation of any temporary promotion that started after 1 July 2013 would not be eligible.
- Q5 Does the member have to elect for a two pension entitlement?
- A5 Please note the regulations do not require a member to 'opt' for the two pension entitlement; it automatically applies on a drop in pay.
- Q6 If at retirement the pensionable pay is higher than at the point of entitlement plus indexation, does the member have to elect in writing for a single pension to apply<sup>3</sup>?
- A6 While the regulations do request a written election, we would expect a pragmatic approach to calculate both the single pension and the two pension amount and award the higher of the two calculations.
- Q7 Does the two pension still apply on opt-outs?
- A7 Entitlement to two pensions is lost if a member opts out of the pension scheme<sup>4</sup>.

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<sup>3</sup> Paragraph 6 of rule [B5A](#) or [Part 3, Rule 7](#)

<sup>4</sup> Paragraph 7 of rule [B5A](#) or Paragraph 8 of [Part 3, Rule 7](#)

## Other references to two pensions

The archived [commentary](#) on rule B5A is a useful source of reference with regards to calculating the two pension entitlement. Albeit as an archived document, it is no longer endorsed by Home Office or LGA

[FPSC 3 / 2010](#) gave guidance on applying indexation to the two pensions.

As confirmed in [PO-2573](#) a drop in pay before 1 April 2007 does not entitle a person to a two pension entitlement under rule B5A

This factsheet has been prepared by LGA to give some guidance on the rules of the pension scheme using the regulations as they stand at March 2019, however they should be used only as an informal view of the interpretation of the firefighters' pension scheme as only a court can provide a definitive interpretation of legislation. This factsheet should not be interpreted as legal advice

Please address any queries on the content of this factsheet to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk)

April 2019

## Calculation Examples

### Protected Member FPS1992

In the case of FPS1992 a formula applies to protect the double accrual at the highest pay. The formula for calculating two pensions is set out in the regulations under paragraph 3 & 4 of rule B5A.

(3) The amount of the first pension is that found by applying the formula—

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

where—

- A is the firefighter's average pensionable pay for the year ending with his last day of service at the higher rate of pay;
- B is the firefighter's pensionable service up to that day;
- C is the firefighter's total pensionable service; and
- D is the total number of 60ths that would have been used in the calculation of his single award had he given the instruction referred to in paragraph (6).

(4) The amount of the second pension is that found by applying the formula—

$$E \times \frac{F}{C} \times \frac{D}{60}$$

where—

- C and D have the same meanings as in paragraph (3);
- E is the firefighter's average pensionable pay for the year ending with his last day of service; and
- F is—
  - (a) where the aggregate of—
    - (i) the pensionable service used to ascertain the value of B in his case for the purpose of the formula in paragraph (3); and
    - (ii) his pensionable service for the period commencing with his first day of service at the lower rate of pay and ending with his last day of service,
 exceeds 30, the difference between B and 30;
  - (b) in any other case, his pensionable service for the period commencing with his first day of service at the lower rate of pay and ending with his last day of service.

## Example

Sarah joined the scheme on 2 March 1989 with a transfer in awarded of 1 year 47 days and is retiring on 30 April 2018 with 30 years' service.

At retirement Sarah's pay is £29,934, and the average pensionable pay for the year ending with the last day of service (1 May 2017 to 30 April 2018) is £29,884.53

Sarah had a drop in pay when her temporary promotion which began on 13 May 2009 ended on 30 November 2009. Sarah's pay at 30 November 2009 was £29,971 and dropped to £28,199.13 on 1 December 2009. The average pensionable pay for the year 1 December 2008 to 30 November 2009 is £28,974.59

Sarah qualifies for a two pension award calculation because of her drop in pay on 1 December 2009.

### Part One

The first pension is calculated as  $A \times (B \div C) \times (D \div 60)$

Where

- A is the firefighter's average pensionable pay for the year ending with his last day of service at the higher rate of pay; **£28,974.59**
- B is the firefighter's pensionable service up to that day; **21 years 321 days [2 March 1989 to 30 November 2009 plus 1 year 47 days transferred service]**
- C is the firefighter's total pensionable service; **30 years**, and
- D is the total number of 60ths that would have been used in the calculation of his single award had he given the instruction referred to in paragraph (6); **40 years**

$$£28,974.59 \times (21/321 \div 30) \times (40 \div 60) = £14,087.74$$

PI Date = 1 December 2009

PI Rate = 1.1985<sup>5</sup>

$$£14,087.74 \times 1.1985 = \mathbf{£16,884.15}$$

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<sup>5</sup> PI multiplier table (2018) - <http://www.fpsregs.org/images/Legal/PI/PI2018.xlsm>

## Part Two

The second pension is calculated as  $E \times (F \div C) \times (D \div 60)$

Where

- E is the firefighter's average pensionable pay for the year ending with his last day of service; **£29,884.53** and
- F is his pensionable service for the period commencing with his first day of service at the lower rate of pay and ending with his last day of service, restricted to 30 years minus B. **8 years 44 days**

$$£29,884.53 \times (8/44 \div 30) \times (40 \div 60) = \mathbf{£5,392.86}$$

## Total Pension

Part One + Part Two = Total Pension Award

$$£16,884.15 + £5,392.86 = \mathbf{£22,277.01}$$

## Compare two pensions to a single pension

$$£29,884.53 \times 40 \div 60 = £19,923.02$$

As £22,277.01 is greater than £19,923.02 the two pension calculation is awarded.

### Tapered or Unprotected FPS2015 member with transitional FPS1992 benefits

Where the member has been moved into FPS2015 and the drop in pay occurred before the transition, the formula as set out in paragraphs [3 & 4](#) applies, but with an adjustment to the value of D to reflect the adjusted 60ths that would be used for the final salary pension at retirement.

#### Example

Rob joined the scheme on 17 April 1990 and would retire on 16 April 2020 with 30 years' service.

Rob was entitled to tapered protection and joined FPS2015 on 30 September 2018

Rob had a drop in pay on 15 October 2011 from £25,000 to £20,000.

#### Adjusted value of D

The value of D is adjusted to reflect the number of 60ths that would be used to calculate Rob's pension at retirement. This is adjusted using the formula in Part 2A<sup>6</sup> of the 1992 scheme, which adjusts the expected accrual under FPS1992 to FPS2015.

$$A \div 60 * (B \div C)$$

Where

- B is the period in years of the person's pensionable service until the day before his transition date; **28 years 166 days [17 April 1990 to 29 September 2018 (day before transfer to FPS 2015)]**
- C is the period in years of his pensionable service and of his 2015 pensionable service (subject to a maximum of pensionable service of 30 years); **30 years [17 April 1990 to 16 April 2020]**
- A is the sum of E + (F x 2) and must not exceed 40 years  
Where—
  - E is the period in years of his pensionable service and of his 2015 pensionable service up to 20 years,
  - F is the period in years by which his pensionable service and his 2015 pensionable service exceeds 20 years; **40 years**

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<sup>6</sup> [http://www.legislation.gov.uk/ukxi/2015/589/schedule/3/paragraph/9/made as amended by Paragraph 2, sub paragraph 5 of SI 2017/892](http://www.legislation.gov.uk/ukxi/2015/589/schedule/3/paragraph/9/made%20as%20amended%20by%20Paragraph%20sub%20paragraph%205%20of%20SI%202017%2F892)

In this case as we are not calculating the proportion of 60ths we can adjust the formula to calculate D as

$$D = A * (B \div C)$$

$$D = 40 * (28/166 \div 30) = \mathbf{37 \text{ years } 343 \text{ days}}$$

### Part One

The first pension is calculated as  $A \times (B \div C) \times (D \div 60)$

Where

- A is the firefighter's average pensionable pay for the year ending with his last day of service at the higher rate of pay; **£25,000**
- B is the firefighter's pensionable service up to that day; **21 years 181 days [17 April 1990 to 14 October 2011]**
- C is the firefighter's total pensionable service; and **28 years 166 days [17 April 1990 to 29 September 2018 (day before transfer to FPS 2015)]**
- D is the total number of 60ths that would have been used in the calculation of his single award had he given the instruction referred to in paragraph (6). **37 years 343 days calculated as above**

$$£25000 \times (21/181 \div 28/166) \times (37/343 \div 60) = \mathbf{£11,942.16}$$

PI Date = 15 October 2011

PI Rate = 1.1337<sup>7</sup>

$$£11,942.16 * 1.1337 = \mathbf{£13,538.83}$$

### Part Two

The second pension is calculated as  $E \times (F \div C) \times (D \div 60)$

Where

- E is the firefighter's average pensionable pay for the year ending with his last day of service; **£20,000.00** and
- F is his pensionable service for the period commencing with his first day of service at the lower rate of pay and ending with his last day of service, restricted to 30 years minus B. **6 years 350 days [15 October 2011 to 29 September 2018]**

$$£20000 \times (6/350 \div 28/166) \times (37/343 \div 60) = \mathbf{£3,092.85}$$

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<sup>7</sup> PI multiplier table (2018) - <http://www.fpsregs.org/images/Legal/PI/PI2018.xlsm>

## **Total Pension**

Part One + Part Two = Total Pension Award

$$£13,538.83 + £3,092.85 = \mathbf{£16,631.68}$$

## **Compare two pensions to a single pension**

Calculated using the formula in Part 2A<sup>8</sup> of FPS 1992

$$A \div 60 * (B \div C)$$

$$\mathbf{40 \div 60 * (28/166 \div 30) * £20,000 = £12,646.58}$$

As £16,631.68 is greater than £12,646.58 the two pension calculation is awarded.

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<sup>8</sup> <http://www.legislation.gov.uk/uksi/2015/589/schedule/3/made>

### FPS2006

In the case of FPS2006, calculation of two pensions is more straightforward.

Part 3, rule 7, paragraph 3 prescribes that the first pension is calculated based on the pensionable pay at the highest level multiplied by the service built up to the date of drop and divided by 60, unless the member is a special member where 60 would be replaced by 45.

*(3) The amount of the first pension is that found by multiplying the member's pensionable service up to (but not including) the day on which paragraph (1) first applies to him by the final pensionable pay to which he would have been entitled had he retired on that day, and dividing the resultant amount by 60.*

Paragraph 4, prescribes that the second pension is calculated based on pensionable pay at date of retirement, multiplied by service from the date of drop and divided by 60, unless the member is a special member where 60 would be replaced by 45

*(4) The amount of the second pension is that found by multiplying the member's pensionable service on and after the day on which paragraph (1) first applies to him by the final pensionable pay to which he is entitled on that day, and dividing the resultant amount by 60.*

### Example

Yousef joined the scheme on 22 November 2007 with a transfer in awarded from army service of 12 years. Yousef will retire on 30 August 2020.

Yousef's current pay is £45,670.

Yousef had a drop in pay after his pensionable allowance for being a trainer stopped on a move from his station. Yousef's pay at 12 January 2013 was £47,530 and dropped to £42,320 on 13 January 2013.

#### Part One

The first pension is calculated by multiplying the Yousef's pensionable service up to (but not including) the day on which the pay dropped and dividing the resultant amount by 60.

22 November 2007 to 12 January 2013 = 5 years 52 days

Transfer in = 12 years

Total service = 17 years 52 days

$£47,530 \times (17/52 \div 60) = £13,579.69$

PI Date = 13 January 2013

PI Rate = 1.0872<sup>9</sup>

$£13,579.69 \times 1.0872 = \mathbf{£14763.84}$

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<sup>9</sup> PI multiplier table (2018) - <http://www.fpsregs.org/images/Legal/PI/PI2018.xlsm>

## Part Two

The second pension is calculated based on pensionable pay at date of retirement, multiplied by service from the date of drop and divided by 60

13 January 2013 to 30 August 2020 = 7 years 230 days  
 $£45,670 \times (7/230 \div 60) = \mathbf{£5,807.81}$

## Total Pension

Part One + Part Two = Total Pension Award

$£14,763.84 + £5807.81 = \mathbf{£20,571.65}$

## Compare two pensions to a single pension

$£45,670 \times (24/282 \div 60) = £18,856.08$

As £20,571.65 is greater than £18,856.08 the two pension calculation is awarded.

### Protected Pay after moving to FPS2015 – transitional provisions

#### FPS1992

##### **Schedule 2, Rule 33, Paragraph 4<sup>10</sup>**

(4) Where T's pensionable pay derived from service under this scheme at the time when T's average pensionable pay is determined for any purposes of the 1992 Scheme under Schedule 7 to the 2013 Act (final salary link) is lower than the pensionable pay for any year after the transition date, the pensionable pay for the year of service before the reduction in pensionable pay is to be regarded for the purposes of Schedule 7 as the pensionable pay derived from service under the 1992 Scheme.

#### FPS2006

##### **Schedule 2, Rule 32, Paragraph 4<sup>11</sup>**

(4) Where T's pensionable pay derived from service under this scheme at the time when T's final pensionable pay is determined for any purposes of the NFPS under Schedule 7 to the 2013 Act (final salary link) is lower than the pensionable pay for any year after the transition date, the pensionable pay for the year of service before the reduction in pensionable pay is to be regarded for the purposes of Schedule 7 as the pensionable pay derived from service under the NFPS.

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<sup>10</sup> <http://www.legislation.gov.uk/ukxi/2015/589/schedule/1/paragraph/7/made>

<sup>11</sup> <http://www.legislation.gov.uk/ukxi/2015/589/schedule/1/paragraph/7/made>

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## Local Pension Board – Training Log

Updated January 2021

	Conflicts of interest	Managing risk and internal controls	Maintaining accurate member data	Maintaining member contributions	Providing information to members and others	Resolving internal disputes	Reporting breaches of the law
<b><u>Scheme Manager Reps</u></b>							
Mike Pearson	June 2020	June 2020	June 2020	June 2020	June 2020	June 2020	June 2020
Amy Webb	November 2019	November 2019	November 2019	November 2019	November 2019	November 2019	November 2019
Councillor George Wheeler	January 2021	January 2021	January 2021	January 2021	January 2021	January 2021	January 2021
Satnam Singh Rai	June 2020	June 2020	June 2020	June 2020	June 2020	June 2020	June 2020
<b><u>Scheme Member Reps</u></b>							
Andy Hallam	June 2020	June 2020	June 2020	June 2020	June 2020	June 2020	June 2020
Peter Redbourn	November 2019	November 2019	November 2019	November 2019	November 2019	November 2019	November 2019
James Leslie	March 2020	March 2020	March 2020	March 2020	March 2020	March 2020	March 2020
Ben Redwood	October 2020	October 2020	October 2020	October 2020	October 2020	October 2020	October 2020
<b><u>Support Officers</u></b>							
Caroline Gourlay	July 2019	July 2019	July 2019	July 2019	July 2019	July 2019	July 2019
Lisa Etchell	June 2020	June 2020	June 2020	June 2020	June 2020	June 2020	June 2020

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## DEVON & SOMERSET FIRE & RESCUE AUTHORITY

### LOCAL PENSIONS BOARD

<b>DATE OF MEETING</b>	<b>17 March 2021</b>
<b>SUBJECT OF REPORT</b>	<b>TRAINING NEEDS ANALYSIS (TNA) AND TRAINING PLAN</b>
<b>REPORT AUTHOR</b>	<b>Director of Governance &amp; Digital Services</b>
<b>EXECUTIVE SUMMARY</b>	<p>Seven of the eight Local Pension Board (the Board) members have completed a self-assessment of their knowledge levels to identify potential training needs. These have been brought together in one spreadsheet and an average score calculated for each knowledge/skill area. Whilst this is not an in depth analysis of training needs, it is perhaps sufficient to identify areas of common development need that could be of interest to Board members.</p> <p>This report looks at the various potential areas for joint development activity and suggests potential methods of delivery and indicative timescales for 2021.</p>
<b>APPENDICES</b>	1. LPB Training Needs Analysis – Master Spreadsheet

Score	Topic	Suggested Action
	<b>2 – The knowledge and understanding I need as a Pension Board member</b>	
3.4	What I need to know about my scheme as a Board member	LPB Topic – June
3.1	What I need to know about pension law as a Board member	LPB Topic – June
	Knowledge and understanding duty on Pension Board members: <a href="http://www.tpr.gov.uk/PS-knowledge">www.tpr.gov.uk/PS-knowledge</a>	
	<b>4 – Publishing scheme information</b>	
3.0	What information needs to be published about the Pension Board	LPB Topic – Sept
3.3	How that information is to be recorded and published	LPB Topic – Sept
3.1	What the Pension Board’s role is regarding the publication of that information	LPB Topic – Sept
	Publishing scheme information: <a href="http://www.tpr.gov.uk/PS-publishing">www.tpr.gov.uk/PS-publishing</a>	
	<b>5 – Risk management and internal controls</b>	
4.0	How risks will be identified and assessed	Training Session
3.3	How internal controls will be set up	Training Session
3.9	How risk assessments will be documented	Training Session
3.4	How possible fraudulent activity will be identified and dealt with	Training Session
3.6	Who is involved in internal controls and risk management and their role	Training Session
3.1	What the Pension Board’s role is in internal controls and risk management	Training Session
	Managing risk and internal controls’ course in the <b>Public Service toolkit</b> : <a href="http://www.pensionseducationportal.com">www.pensionseducationportal.com</a>	
	<b>6 – Record-keeping</b>	
3.4	How an effective scheme record-keeping process will be set up	LPB Topic – Sept
3.7	How the required records of scheme members’ data, transactions and pension board decisions will be kept	LPB Topic – Sept
3.9	Who is involved in record-keeping and their role	LPB Topic – Sept
3.6	What the Pension Board’s role is in record keeping	LPB Topic – Sept
	Maintaining accurate member data’ course in the <b>Public Service toolkit</b> : <a href="http://www.pensionseducationportal.com">www.pensionseducationportal.com</a>	

Score	Topic	Suggested Action
	<b>9 – Resolving disputes</b>	
3.7	How disputes within my scheme will be resolved	LPB Topic - Dec
3.6	How disputes within my scheme and their resolutions will be documented	LPB Topic - Dec
3.3	What the Pension Board's role is in the resolution of issues and disputes	LPB Topic - Dec
	Resolving internal disputes' course in the <b>Public Service toolkit</b> : <a href="http://www.pensionseducationportal.com">www.pensionseducationportal.com</a>	
	<b>11 – Key scheme specific topics</b>	
3.1	Annual Allowance & Lifetime Allowance	Training Session
3.1	Abatement	Training Session
2.6	Spilt (Two) Pension rules	LPB Topic

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Public service pension schemes: Learning needs analysis of certain governance and administration requirements

NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

LPB01

LPB02

LPB03

LPB04

LPB05

LPB06

LPB07

LPB08

Plan your Learning

Learning needs analysis

Personal development

1 – My role, responsibilities and duties as a Pension Board member

Do I know?	Rate my skills 1 - No knowledge to 5 - Highly confident	LPB01	LPB02	LPB03	LPB04	LPB05	LPB06	LPB07	LPB08	Planned Learning Activities	Timescale	Topic for an LPB Agenda? YES/NO	Where to find information
Who the Pensions Regulator is →	4.6		4	5	4	5	4	5	5				Introduction to public service pension schemes: <a href="http://www.tpr.gov.uk/PS-introduction">www.tpr.gov.uk/PS-introduction</a>
My role, duties & responsibilities →	4.0		4	3	3	4	4	5	5				
How the Regulator's code of practice will support me in assisting the scheme manager with running an effective & efficient scheme →	4.0		4	4	4	4	2	5	5				

2 – The knowledge and understanding I need as a Pension Board member

Do I know?	Rate my skills 1 - No knowledge to 5 - Highly confident	LPB01	LPB02	LPB03	LPB04	LPB05	LPB06	LPB07	LPB08	My Planned Learning Activities	Timescale	Topic for an LPB Agenda? YES/NO	Where to find information

What I need to know about my scheme as a Board member →	3.4		4	4	3	3	3	4	3			Yes	Knowledge and understanding duty on Pension Board members: <a href="http://www.tpr.gov.uk/PS-knowledge">www.tpr.gov.uk/PS-knowledge</a>
What I need to know about pensions law as a Board member →	3.1		3	2	3	4	3	4	3			Yes	
How to plan, follow and record my training, knowledge & understanding →	4.0		2	5	4	4	3	5	5				

**3 – Conflicts of interest**

Do I know?	Rate my skills 1 - No knowledge to 5 - Highly confident									My Planned Learning Activities	Timescale	Topic for an LPB Agenda? YES/NO	Where to find information
What information I need to provide to the scheme manager →	4.1		3	5	3	4	4	5	5				'Conflicts of interest' course in the Public Service toolkit: <a href="http://www.pensionseducationportal.com">www.pensionseducationportal.com</a>
How to disclose potential or actual conflicts of interest →	4.3		3	5	4	4	4	5	5				

How to monitor and discuss the risk of potential or actual conflicts of interest 	4.0		2	5	3	4	4	5	5			
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**4 – Publishing scheme information**

	Rate my skills 1 - No knowledge to 5 - Highly confident									My Planned Learning Activities	Timescale	Topic for an LPB Agenda? YES/NO	Where to find information
What information needs to be published about the Pension Board 	3.0		2	3	2	3	4	3	4			Yes	Publishing scheme information: <a href="http://www.tpr.gov.uk/PS-publishing">www.tpr.gov.uk/PS-publishing</a>
How that information is to be recorded and published 	3.3		2	4	3	3	4	3	4			Yes	
What the Pension Board's role is regarding the publication of that information 	3.1		2	4	3	3	3	3	4			Yes	

**5 – Risk management and internal controls**

	Rate my skills 1 - No knowledge to 5 - Highly confident									My Planned Learning Activities	Timescale	Topic for an LPB Agenda? YES/NO	Where to find information
---	---	--	--	--	--	--	--	--	--	--------------------------------	-----------	------------------------------------	---------------------------

How risks will be identified and assessed 	4.0		3	5	4	3	3	5	5				
How internal controls will be set up 	3.3		2	3	2	3	3	5	5			Yes	
How risk assessments will be documented 	3.9		2	4	3	4	4	5	5			Yes	
How possible fraudulent activity will be identified and dealt with 	3.4		2	4	3	3	3	4	5			Yes	'Managing risk and internal controls' course in the Public Service toolkit: <a href="http://www.pensionseducationportal.com">www.pensionseducationportal.com</a>
Who is involved in internal controls and risk management and their role 	3.6		2	3	2	4	4	5	5			Yes	
What the Pension Board's role is in internal controls and risk management 	3.1		2	2	3	3	3	5	4			Yes	

**6 – Record-keeping**

	<b>Rate my skills</b> 1 - No knowledge to 5 - Highly confident									<b>My Planned Learning Activities</b>	<b>Timescale</b>	<b>Topic for an LPB Agenda? YES/NO</b>	<b>Where to find information</b>

How an effective scheme record-keeping process will be set up 	3.4		3	3	3	2	4	5	4			Possible	
How the required records of scheme members' data, transactions and pension board decisions will be kept 	3.7		3	4	4	2	4	5	4			Possible	'Maintaining accurate member data' course in the Public Service toolkit: <a href="http://www.pensionseducationportal.com">www.pensionseducationportal.com</a>
Who is involved in record-keeping and their role 	3.9		3	5	3	2	4	5	5			Possible	
What the Pension Board's role is in recordkeeping 	3.6		2	3	3	3	4	5	5			Possible	

7 - Maintaining Contributions

	Rate my skills 1 - No knowledge to 5 - Highly confident									My Planned Learning Activities	Timescale	Topic for an LPB Agenda? YES/NO	Where to find information
How employer and employee payment contributions will be monitored and recorded 	3.9		2	5	3	3	4	5	5				'Maintaining member contributions' course in the Public Service toolkit: <a href="http://www.pensionseducationportal.com">www.pensionseducationportal.com</a>
How late or failed payments which are likely to be of material significance to the Regulator will be reported to the Regulator 	3.7		2	5	2	3	4	5	5				

What the Pension Board's role is in maintaining contributions and notifying the Regulator of late or failed payments →	3.9		2	5	3	3	4	5	5			
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**8 – Communicating with members**

Do I know?	Rate my skills 1 - No knowledge to 5 - Highly confident									My Planned Learning Activities	Timescale	Topic for an LPB Agenda? YES/NO	Where to find information
What information must be provided to members about the administration of the scheme and their benefits →	3.7		3	4	3	3	4	5	4				'Providing information to members and others' course in the Public Service toolkit: <a href="http://www.pensionseducationportal.com">www.pensionseducationportal.com</a>
How that information will be provided to members →	4.1		4	5	4	3	4	5	4				
Who is involved in member communications →	3.9		4	4	3	3	3	5	5				
What the Pension Board's role is in member communications →	3.9		3	4	3	3	4	5	5				

**9 – Resolving disputes**

Do I know?	Rate my skills 1 - No knowledge to 5 - Highly confident									My Planned Learning Activities	Timescale	Topic for an LPB Agenda? YES/NO	Where to find information

How disputes within my scheme will be resolved 	3.7		4	3	3	3	4	4	5			Yes	'Resolving internal disputes' course in the Public Service toolkit: <a href="http://www.pensionseducationportal.com">www.pensionseducationportal.com</a>
How disputes within my scheme and their resolutions will be documented 	3.6		3	3	3	3	4	4	5			Yes	
What the Pension Board's role is in the resolution of issues and disputes 	3.3		2	2	3	3	4	4	5			Yes	

**10 – Reporting breaches of the law**

	Rate my skills 1 - No knowledge to 5 - Highly confident									My Planned Learning Activities	Timescale	Topic for an LPB Agenda? YES/NO	Where to find information
How to identify breaches of the law 	4.1		3	5	4	3	4	5	5				'Reporting breaches of the law' course in the Public Service toolkit: <a href="http://www.pensionseducationportal.com">www.pensionseducationportal.com</a>
How breaches of the law will be assessed 	4.0		3	4	4	3	4	5	5				
How breaches of the law likely to be of material significance to the Regulator will be reported 	4.1		3	5	4	3	4	5	5				
What my responsibility is to report breaches 	4.3		4	5	4	3	4	5	5				

Who else is under a duty to report breaches →	4.1		4	4	4	3	4	5	5			
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11 – Key scheme specific topics

Do I know?	Rate my skills 1 - No knowledge to 5 - Highly confident									My Planned Learning Activities	Timescale	Topic for an LPB Agenda? YES/NO	Where to find information
Annual Allowance & Lifetime Allowance →	3.1		3	3	3	4	2	4	3			Yes	WYPF website at <a href="https://www.wypf.org.uk/active/all-about-your-pension/tax-limits-and-your-pension/annual-allowance/">https://www.wypf.org.uk/active/all-about-your-pension/tax-limits-and-your-pension/annual-allowance/</a>
Abatement →	3.1		3	3	3	2	2	5	4			Yes	LGA Factsheets available at <a href="http://www.fpsregs.org/index.php/administration-resources/factsheets">http://www.fpsregs.org/index.php/administration-resources/factsheets</a>
Spilt (Two) Pension rules →	2.6		3	2	3	2	2	4	2			Yes	

**DEVON & SOMERSET FIRE & RESCUE AUTHORITY LOCAL PENSIONS BOARD**

**Updated Pension Correspondence Log – Correspondence received and circulated since last LPB meeting**

**(NOTE: a copy of the correspondence listed in this log has already been sent to all Board Members. If you are missing any of the correspondence, please contact Democratic Services specifying the missing correspondence. This will then be sent to you)**

<b>Date</b>	<b>Description</b>	<b>Purpose</b>	<b>Source</b>
3 December 2020	Notification of Webinar on LGPS Exit Payment reforms	Information Only	Local Government Association
4 December 2020	Joint statement from Home Office and Local Government Association on age discrimination remedy	Information Only	Local Government Association
11 December 2020	West Yorkshire Pension Fund Monthly Update December 2020	Information Only	WYPF
18 December 2020	FPS Bulletin 40 – December 2020	Information Only	Local Government Association
12 January 2021	West Yorkshire Pension Fund Monthly Update January 2021	Information Only	WYPF
29 January 2021	FPS Bulletin 41 – January 2021	Information Only	Local Government Association
15 February 2021	West Yorkshire Pension Fund Monthly Update February 2021	Information Only	WYPF
26 February 2021	FPS Bulletin 42 – February 2021	Information Only	Local Government Association
9 March 2021	West Yorkshire Pension Fund Monthly Update March 2021	Information Only	WYPF

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Devon and Somerset Fire and Rescue Authority - Local Pension Board Work Programme 2020 - 2022 v1.01

Theme	Activity	SI	15-Feb-19	29-May-19	08-Aug-19	30-Oct-19	18-Mar-20	24-Jun-20	16-Sep-20	09-Dec-20	17-Mar-21	23-Jun-21	15-Sep-21	08-Dec-21	16-Mar-22	22-Jun-22	14-Sep-22	07-Dec-22
Administration	Confirmation website up to date	Y				X	X	X	X	X	X	X	X	X	X	X	X	X
Administration	Correspondence	Y	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Administration	Scheme Manager's Report	Y	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Risk and Assurance	KPIs	Y	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Risk and Assurance	LPB Action Log	Y	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Risk and Assurance	Risk Register	Y	X			X	X	X	X	X	X	X	X	X	X	X	X	X
Training	Training Log	Y	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Administration	ABS Feedback					X			X				X				X	
Administration	WYPF attendance at LPB meeting					X		X	X		X		X		X		X	
Governance	Annual Report							X				X				X		
Governance	Appointments to the Board		X				X				X				X			
Governance	LPB Work Plan				X			X				X				X		
Governance	Review of Breaches		X															
Governance	Review ToR						X				X				X			
Governance	Roles and Responsibilities				X		X				X				X			
Governance	TPR Annual Survey Results (May/Jun)					X							X					X
Governance	TPR Annual Survey Return (Nov)						X				X				X			
Risk and Assurance	Annual review of internal controls						X				X				X			
Risk and Assurance	LPB Audit Report		X															
Risk and Assurance	TPR Self Assessment		X		X			X			X		X		X		X	
Training	Annual Training Needs Analysis					X					X		X				X	
Training	Induction for new members					X			X				X				X	

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