



Minutes – Scottish Firefighters' Pension Board – 28 November 2017

Attendees:

Allan Martin (AM)	Chair
Stuart Purdy (SP)	Vice Chair
Alan Duncan (AD)	Board Member
Gillian Clark (GC)	Board Member
Denise Christie (DC)	Board Member
Penelope Cooper (PC)	Chief Executive, SPPA
Gerry McGarry (GM)	Deputy Director of Operations, SPPA
Donald Forbes (DF)	Senior Operations Manager
Viv Purves (VP)	Senior Operations Manager
Gordon Swan (GS)	Deputy Director of Corporate Services
Lorimer Mackenzie (LM)	Acting Director of Policy
Janette Innes (JI)	Observer

Apologies:

Alex Clark	Board Member
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1. Welcome and introductions (including declaration of conflict of interest)

1.1 Mr Martin welcomed everyone to the meeting, noting that Ms Christie would be joining the meeting shortly. Apologies were noted from Gillian Clark and Alex Clark.

No conflicts of interest were declared.

2. Draft minutes and action points from previous meeting

2.1 The minutes from the meeting of 29 August were reviewed and adopted.

2.2 The actions list was reviewed and the following points noted:

- F10.03: – closed
- F10.04: – wording on recruitment adverts for posts which would be affected by large increases in salary have yet to be formulated. It is under consideration for their 2017/18 Resourcing Plan national campaigns. Draft wording will be issued for comment early in 2018.
- F10.05: – SPPA to provide data for existing employees “bought in pensionable service”. When received it is hoped this can be actioned before the end of the year to allow leavers forecasting to be more robust.
- F10.07: – closed
- F10.08: – closed
- F10.10: – closed

3a. SPPA Update

3a1. Service Level Agreement (SLA) Update

DF explained that he had met with Ian Shaw, Scottish Fire and Rescue Service (SFRS) on 8 November 2017 to discuss the best practices for working together in the future. Following these discussions the SLA will be redrafted considering changes from all stakeholders involved. The 2 years of existing experience of working together is assisting in developing improvements in future partnership working. The redraft will be available to Board members on completion.

APF01: Revised SLA to be provided to the Board

3a2. Annual Returns and Annual Benefits Statements (ABS)

GM spoke through the figures provided to the Board, highlighting the improvements which have been made from last year and the position of SPPA as at 9th November 2017. (5036 statements issued or 92.20% of the total eligible active membership)

It was also noted that deferred Firefighters', in the 2006 and 2015 schemes, will now receive annual statements.

PC updated the group on her communications with The Pensions Regulator, concluding that an ABS recovery plan (ABS Max) was in place, details of which were sent to the Chief Fire Officer in October 2017. PC advised that if the agreed target was not met by the end of 2017 a warning letter could potentially be issued to SPPA, however, this may avoid a fine.

DF updated the group on the 393 cases which are being dealt with by the SFRS.

Ms Christie noted that there had been minimal enquiries about the statements issued to date and Mr Duncan highlighted the excellent progress which has been made by SPPA.

GM informed that all efforts from the team were intended as an investment to improve the quality of data supplied to SPPA from employers in the future. The team will continue to focus efforts on correcting the outstanding cases.

3a3. Annual Allowance

Confirmation was given that 37 pension saving/Annual Allowance Statements were issued to members who were identified by SPPA as having a breach. These had been issued by the legislative deadline of 6 October 2017.

The group noted the importance of getting this information out at the earliest possible point to those members affected.

3a4. Data Quality Improvement

This exercise is on-going to ensure a significant improvement of the data held for members of the Fire Pension Schemes. Records have now been successfully manually built onto the system for Retained Modified Firefighters", allowing the production of ABS for this group of stakeholders.

3a5. CARE Calculator

Initial problems identified with the CARE Calculator were rectified at an early stage. Online visits increased after the introduction of the Calculator. Feedback from members regarding this service has been positive.

3a6. Customer Contact Team (CCT)

GM explained the current position regarding the introduction of the SPPA Customer Contact Team. It was noted that the logistics of accommodation were currently under review.

GM talked through the plans for implementation and updated the group on the progress with training. A phased approach will be used for the project allowing SPPA to start small, measuring benefits and to prove the concept prior to expansion of the team.

AM commented that he was aware of projects where the email and telephone resource were operated remotely.

PC advised that she and Mrs Guthrie will be visiting the HMRC offices on 12 December 2017 to discuss the operating mechanism for their call centre along with the way they have approached the introduction of live web chat.

PC advised that SPPA aim to complete the full implementation of the CCT by September 2018.

3a8. Guaranteed Minimum Pension (GMP) Reconciliation

GM introduced VP as the project lead for the GMP exercise.

VP explained the approach SPPA have taken to the exercise. She advised that a contract variation with an incumbent third party supplier was signed on 20 September 2017. Following that date, a project initiation meeting between SPPA, Heywood and their sub-contractors, ITM, was held on 6 October 2017. Fortnightly progress reports are provided from ITM to SPPA and also monthly discussions are held. The next scheduled meeting is 7 December 2017.

VP noted that the initial sharing of data between ITM and SPPA has taken place. Her team has provided ITM with member reports and HMRC data. The Firefighters' member data was extracted on 24 October 2017.

ITM will use their automated solution to reconcile the majority of records and more complex data queries will be investigated by SPPA staff.

The first progress update from ITM regarding the Fire Schemes was received on 14 November 2017.

Total number of records between HMRC and SPPA amount to 34,284 inclusive of :

SPPA records 20,049

HMRC records 14,235

There are 11,014 records for Dumfries and Galloway, however, it is strongly suspected that the majority of these will be records registered to the old scheme reference number and will therefore not be part of the SPPA exercise.

For SPPA record only (20,049), ITM have reconciled or identified out of scope/no liability for 40% of the records.

A significant group which were identified were pensioners with retirement post 2009 with a GMP period of service and widow(er)s in receipt of a state benefit/pension.

Resources

VP explained the resource composition of the team and highlighted the experience relative to the Firefighters' scheme.

Pensions which require revision should be corrected by SPPA in Spring 2018 with completion of the exercise planned by December 2018.

VP explained details relevant to the Firefighters' scheme and noted that the initial reconciliation for this scheme was 27%.

VP noted that the previous GMP reconciliation exercise had taken place in 2009 and resulted in members of the Firefighters' scheme having any overpaid pension converted to a pension benefit and any historic overpayment was written-off. Scottish Ministers will separately decide on the approach for overpayment recovery with this exercise.

Communications

VP advised that a communications workshop was held on 17 October 2017 and a plan is in place to end December 2017. Staff communications have been issued and continue to be updated as required. The GMP team also attended a meeting with HMRC in October to assist with understanding of reconciliation best practice.

Communications will be developed through the website and employer circulars.

3a9. CEM Benchmarking

Final draft will be circulated in December 2017.

3a10. Employer Charter

GM advised that SPPA is developing an Employer Charter following feedback received during previous customer service review work. This document sets out the roles and responsibilities of all parties concerned and the Boards views are sought on how best to roll out its implementation. Proposed implementation is from March 2018.

3a11. IDRP Review

To be discussed under agenda item 9.

3b. SPPA Dashboard

The following points were discussed with regard to the Firefighters' Scheme Dashboard Report for quartet two of 2017-18.

New Payments Accuracy – The percentage of 94.44% was a result of 1 case having an error.

Death in Pension/Retirement – The percentage achievement was as a result of one case having been processed late.

Transfer Value In (quote) – 13 cases were processed with 7 missing the target. 6 of these cases failed as a result of 3rd party pension providers not sending SPPA the required data timeously. The remaining case is currently with Heywood being investigated as a system issue.

During this discussion it was agreed that acronym's should not be used e.g., EDM and RMT etc.

3b12. Pension Dashboard

GM confirmed that the DWP have now publicised that they have ownership of the new Pension Dashboard and are conducting feasibility studies to be concluded in March 2018.

3b13. Risk Register changes

The Risk Register is currently being reviewed with any proposed changes being taken for discussion to the Risk Governance Group. It was agreed that the Board would like the document to be useful and dynamic and would be happy to provide input.

SP raised the evaluation of the Residual Risk for Risk 9 in view of the challenges that had been experienced in issuing some annual benefit statements and the expectation that we would receive a view in due course from the Pensions Regulator regarding this issue. The Board considered the progress that SPPA had made in being able to improve the data quality on scheme members and the expectation that this would help achieve a greater level of on-time compliance with this important requirement going forward. In view of this, and the open and transparent dialogue that had been entered into with the Pensions Regulator the evaluation seemed reasonably balanced.

The Board noted the Pension Regulators encouragement for schemes to be able to fulfil this important regulatory requirement.

3b14. Overpayments

The reduction on the target for debtor days for all debt outstanding has been reduced from 180 to 150 days from 1 April 2017.

GM highlighted the analysis of Firefighters' overpayments as detailed in the table provided to the group.

4. General Data Protection Regulation (GDPR)

GS provided the group with an update on the progress of the project. It was confirmed that BREXIT was expected to have no effect on the introduction of GDPR. SPPA are progressing well and the work of the Head of Security at SPPA is being used as an example of how this change should be implemented throughout the relevant Scottish Government departments. The group were advised that the date when the GDPR takes effect is 25 May 2018. GS noted that the Information Commissioner's Office (ICO) is the regulatory body tasked in the UK with enforcing and implementation of the regulation.

GS outlined the content of the report, with the group agreeing that SPPA fully understands the lifecycle of the personal data held by the Agency.

GS advised that full training will be provided.

5. Contracting Out/GMP Reconciliation

Discussed within the SPPA update.

6. SPPA Service Re-design and IT Transformation Project – Project PS Pensions

PC introduced this item and discussed the key milestones of the IT project also noting changes to contract details and planned.

A new project manager has been appointed by Capita and SPPA are fully committed to offering more resource if feasible.

SPPA will deliver considerable service and organisational change and have asked for the assistance of Scottish Government colleagues as required. A consultant is working with SPPA to define roles going forward.

PC advised that SPPA have been working with all stakeholders to establish expectations of groups. The Management Advisory Board (MAB) are satisfied with the progress.

The Board were informed that an update on the SPPA website will be undertaken and suggestions were made for specific consideration to the search function and the addition of various portals. Also a new website will hopefully offer more targeted trackers for website view reporting.

7. Governance Review update

LM noted that discussions with regards to the review should incorporate what the Regulator expects from SPPA and how we should meet expectations with delivery methods.

AD highlighted that the KPMG report had raised questions regarding resourcing of the Pension Boards.

LM advised that this issue would consider regulatory requirements and also be reflected in the SPPA target modelling operator.

The Pension Board will continue to be constructive and bring ideas and suggestions for better practice to the forum for discussion.

8. IDRP Update

LM advised the group of feedback from other boards regarding this review had been positive. Although it was hoped that the new procedure would be implemented on January 2018, this is currently under review.

9. Pension Regulator Code of Practice Annual Review

The purpose of this paper is to inform the Pension Board of the outcomes from a review of SPPA's compliance with the Pension Regulator's Code of Practice. This area of work will be undertaken by SB and updates will be provided when available.

10. Employer Charter

SB is responsible for this area of work, which will set out a clearer definition of employer and SPPA responsibilities.

The primary objectives are;

- Improve the knowledge and understanding of employers regarding their role and responsibilities
- Increase the employers understanding of SPPA's requirements
- Improve the quality and timeliness of the pension administration data received by SPPA from employers
- Enable supporting feedback on employer performance

The above steps will improve relationships between SPPA and employers, also offering guidance on the clear lines of responsibility.

11. Customer Interaction and Feedback Report

GM noted that the report provided details on quarters 1 and 2, explaining how the SPPA continuous survey operates.

The group were content with the report highlighting the need to share best practices with cross scheme working.

PC advised that LM was looking for trends relating to ministerial correspondence and will feedback to the group if required.

12. Training

This area was briefly discussed concluding that dashboards were presented to the Board on a quarterly basis.

13. AOCB

13.1 The current practice of distributing papers to the Pension Board Chair and members was reviewed and this has been agreed as appropriate. The current practice displays good governance through the controlled distribution. It was highlighted that for ease of access for electronic viewing the papers could be sent out in pdf format if agreed.

13.2 GM commented that there were no reported issues with HMRC online scheme returns.

13.3 The Board had no comments regarding the set of amendment regulations.

13.4 The Pension Board Annual Report will be circulated when available.

13.5 The results of the Pensions Regulator Governance Survey will be circulated by Mr Duncan.

13.6 DC noted for information that she has now been appointed as Scottish Secretary for the FBU, and Brian Cameron is now the Chair. These changes could reflect changes in the Pension Board composition and numbers.

14. Date of next meeting

14.1 The date of the next meeting is 13 February 2018 in Hamilton.

No other business was raised. Mr Martin thanked everyone for their attendance and closed the meeting.