



LONDON FIRE BRIGADE

LFC-23-030

The Pensions Regulator Relationship Review of the LFC's Firefighters' Pension Scheme and establishing an Independent Chair for the Local Pensions Board

Report to:

People Board	18 October 2022
Local Pension Board	30 January 2023
Commissioner's Board	8 March 2023
London Fire Commissioner	

Report by:

Assistant Director Finance

Report classification:

For decision

For publication

I agree the recommended decision below.

Andy Roe
London Fire Commissioner

Date This decision was remotely signed on 17 March 2023

Executive Summary

The Pensions Regulator (TPR) undertook relationship supervision with the London Fire Commissioner (LFC) on the arrangements in place for the management of the Firefighters' Pension Schemes. This was to work with the LFC as the Pension Scheme Manager to ensure compliance with legislation; adherence to codes of practice; and to understand and promote best practice. A report on the review findings and recommendations has been sent to the LFC and is attached as Appendix 1. This was also shared with the Local Pension Board (LPB) at its meeting in January 2023.

Based on the report findings and industry best practice TPR suggested a number of recommendations to improve existing operations. Among the administrative improvements TPR recommended the appointment of an independent Chair, and this is considered key to the development of the LPB.

TPR suggested the LFC consider the appointment of an Independent Chair which would introduce a degree of independence to the LPB and provide continuity of leadership and strategic direction. This report therefore recommends the establishment of a paid independent Chair, following an external recruitment and selection process.

Recommended decision

For the London Fire Commissioner

That the London Fire Commissioner:

1. Agrees and delegates authority to the Director of Corporate Services to implement the action plan, to address TPR's recommendations, set out in Appendix 2.
2. Approves TPR's recommendation to appoint an Independent Chair to the LPB for a period of four years at a cost of £15,000 per annum, and a total cost of £60,000 per four-year term.
3. Delegates authority to the Director of Corporate Services to amend the Terms of Reference following the appointment of the new Chair.
4. Delegates to the Director of Corporate Services authority to select and appoint the Independent Chair of the LPB.

1 Introduction and background

1.1 In August 2022 The Pensions Regulator (TPR) completed a period of Relationship Supervision of the London Fire Commissioner's (LFC) arrangements for the management of the Firefighters' Pension Scheme (FPS) and the work of the Local Pension Board (LPB) as part of this. The purpose of the Relationship Supervision was for TPR to gain understanding of how the FPS operates at the LFC, and the management and governance controls in place. The review provided the opportunity for TPR to understand how both LFC and the LPB comply with legislation, adhere to codes of practice and how they apply good practice.

1.2 The Relationship Supervision resulted in broadly positive feedback on how the FPS is operating and that it is broadly in line with TPR's expectations against the public service code, guidance, and legislation. The overall assessment rating was 'Amber' for Management and Governance and 'Green' for Systems and Process. TPR identified the following areas of improvement:

- Publishing LPB information: LFC to ensure information is published on the LPB and is kept up to date as required. It would be helpful to have a dedicated LPB section on the LFC website.
- Conflict of Interest: Conflict of Interest policy to be implemented and clearly set how the Scheme Manager (SM) and LPB will identify, monitor, and manage Conflict of Interest. LPB members are required to complete a declaration of interest form on their appointment to the LPB.
- Risk Register: To ensure that the LPB Risk Register is regularly reviewed with relevant mitigations and controls for the risks identified and actioned.
- Training: To ensure that a Training log is maintained and reviewed on the LPB members.
- To put a training plan in place to address any knowledge gaps and provide broader topical issues training for LPB members.
- Pension Board Effectiveness: Establish annual performance reviews of the LPB members to help identify how they are adding value, identify potential gaps in knowledge and understanding and any training needs required to improve this.
- Reporting Breaches: SM to ensure the record of breaches of the law is maintained to ensure identified examples are recorded and risk rated including any breaches identified by the LPPA as our pension administrators.
- LPB meetings: To ensure LPB members are clear on their role and remit to act in the interest of members of the pension schemes and do not promote the interest of any stakeholders group above another.
- Diversity and Inclusion: Equalities Working Group to assist LPB in better understanding of underlying reasons of why proportionately higher numbers of women and Black and other Ethnic Minority staff do not join and/or opt out of the pension scheme. To develop better communications about the benefits of the pension scheme to these groups.
- Payments and Contributions: To document a pension contributions policy to ensure relevant LFC staff are all aware how the contribution accounting mechanism operates for the scheme and what the roles and responsibilities are for operating and maintaining this.
- Record keeping/data integrity: LFC and the Local Pensions Partnership Administration (LPPA) should implement a pension data improvement plan to address any data fails and to improve data quality.

1.3 The above summary of recommendations are included in Appendix 1 of this report. The Pension Regulator: Supervisory review report to the Scheme Manager and the Pension Board. London Fire Brigade Supervisory Pension – August 2022.

Next Steps

1.4 Officers have produced a draft Action Plan attached as Appendix 2 to address TPR expectations and recommendations in their report. This was reported to People Board on 18 October 2022 and subsequently to the next available LPB on 30 January 2023.

1.5 The LFC has provided the draft action plan to TPR on the delivery and timing of the actions, as part of regular engagement meetings. TPR will monitor progress in implementation of the actions at regular engagement meetings.

2 Appointment of LPB Chair

2.1 The establishment and operation of a LPB is a statutory requirement, and its purpose is to assist the LFC in the role of Scheme Manager of the Firefighters' Pension Schemes. Such assistance is to:

- Secure compliance with the Schemes' regulations, any other legislation relating to the governance and administration of the Schemes, and requirements imposed by the Pensions Regulator in relation to the Schemes; and
- Ensure the effective and efficient governance and administration of the Schemes.

2.2 The LPB is set up with eight members made up of four employee and four employer representatives, with legislation requiring equal representation. The LPB currently has an annual rotating Chair and Vice-Chair selected from the LPB members and alternates each year between LPB employee and employer representatives.

2.3 TPR encouraged the LFC to consider the appointment of an Independent Chair to introduce a degree of independence to the LPB and provide continuity of leadership and strategic direction. This report therefore recommends the establishment of the independent Chair, following an external recruitment and selection process.

2.4 Appointment of a paid independent Chair would allow for continuity and provide strategic direction and leadership of the LPB as well as utilising the knowledge, skills, and expertise of the selected individual. It is expected that an independent Chair will provide more drive and direction to the business of the LPB, and play a significant role in delivering the recommendations from the TPR.

2.5 A model that uses independent members has been successfully implemented in the LFC with the Audit Committee, and it is now considered appropriate to further develop this approach to allow the appointment of an independent paid Chair for the LPB.

2.6 Officers suggest that a paid Independent Chair should be appointed by LFC for a period of four years.

2.7 The role of the independent Chair will:

- Ensure LPB meets all statutory and other duties, and TPR best practice
- chair at least four meetings of the LPB each year
- undertake appraisals on all LPB members, and ensure training is completed as required
- prepare reports to the Scheme Manager and Commissioner's Board as necessary, including the LPB annual report
- increase communications on and awareness of the LPB

2.8 The establishment of an independent Chair means that the LPB will have a ninth member to add to the existing membership of four employee and four employer representatives. The Terms of Reference will be amended to reflect this if agreement is given for delegated authority to the Director of Corporate Services to amend the Terms of Reference following the appointment of the new Chair.

3. Equality comments

3.1 The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This

in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.

- 3.2** It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3** The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.4** The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
 - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5** Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6** The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7** Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- tackle prejudice
 - promote understanding.
- 3.8** An Equality Impact Assessment (EIA) was completed on 12/10/22. The impact assessment found low overall impacts identified from this report in that it should improve the LFC's pension schemes for its members and ensure that LFC fully complies with legislation and codes of practice relating to pensions. It should produce a positive impact for women and black and other ethnic minority staff as with TPR's recommendations the LPB would be working to see how they could provide support and engagement in encouraging greater uptake of pensions amongst staff with protected characteristics.

Workforce comments

- 4.1** Staff side are represented on the Local Pension Board.
- 4.2** At the LPB meeting of 30 January 2023 both the Employer and Employee side were consulted with on this report and responded.
- 4.3** The Employer side supports the proposal for an independent Chair and there were no

objections from the Employee side (FBU and FOA) with FOA commenting that get the right person who's knowledgeable and enthusiastic and the LPB should prosper.

Sustainability comments

4.4 There are no direct sustainability implications arising from this report.

Procurement comments

4.5 The appointment of the Local Pension Board Chair shall require a recruitment exercise to obtain a list of candidates with suitable skills and expertise and cost of selection process.

Communications comments

4.6 The proposed recommendations should have a positive impact on LFC staff. As per TPR recommendations, LFC shall ensure the LFB allocate a specific space on its internet website for publishing information related to pensions matter, including regulatory developments, current issues, and complaints procedures. This will improve communications to staff. Officers from Communications, Governance, IT and Finance departments are working to achieve this.

Financial comments

4.7 This report outlines the outcome from TPR Relationship Supervision and proposals to establish an independent Chair for the Local Pension Board. The Chair is proposed to be appointed at a cost of £15,000 per annum from 2023/24, and for a period of four years. If appointed this would be at a cost of £60,000 over the four-year term. The costs of the independent chair is to be met from specific budget in the Finance department from 2023/24. The recruitment cost is to be determined but is also to be met from within existing Finance budgets.

Legal comments

4.8 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office.

4.9 Section 1 of the Fire and Rescue Services Act 2004 states that the Commissioner is the fire and rescue authority for Greater London.

4.10 The Local Pension Board was established under the Firefighters Pension Scheme (Amendment) (Governance) Regulations 2015.

4.11 The Public Service Pensions Act 2013 introduces the framework for the governance and administration of public service schemes and provides an extended regulatory oversight by the Pension Regulator.

4.12 The Pension Regulator's Code of Practice No. 14 (Governance and administration of public service pension schemes) sets out the requirements for public service pension schemes as well as the standards of conduct and practice of the Local Pension Board.

4.13 The LFC's Scheme of Governance states at paragraph 7, inter alia, that: "The Commissioner has adopted the CIPFA/SOLACE Framework Delivering Good Governance in Local Government which sets out the core principles on which effective governance should be built. These are:

- Managing risks and performance through robust internal control and strong public financial management "

4.14 The information within this report is in accordance with the legislation and associated Code of Practice.

4.15 The Commissioner has discretion to delegate authority as set out in this report to the Director Corporate Services.

4.16 Appointment of an Independent Chair as discussed in this report can be effected within existing LFC policies managed by people services and/or procurement.

4.17 It is noted that this proposed appointment is for a term of four years with anticipated expenditure of £60,000. If, at the end of this period a decision is taken to continue with the appointment of an Independent Chair consideration should be given to seeking approval from the Deputy Mayor as we must avoid artificially disaggregating expenditure and if it becomes likely that the expenditure limits in the Mayoral Direction MD2260 are to be approached or exceeded such approval will be necessary.

List of appendices

Appendix	Title	Open or confidential*
1	Supervisory Review Report to the Scheme Manager and Pension Board. London Fire Brigade Firefighters Pension – August 2022	Open
2	Action Plans for the Supervisory Review Report to the SM and PB LFB Firefighters Pension	Open
3	Equality Impact Assessment	Open

Part two confidentiality

Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part Two form, together with the legal rationale for non-publication.

Is there a Part Two form: NO*

Originating officer declaration

Reporting officer to confirm the following by using 'x' in the box:

Reporting officer [Kat Pilarska] has drafted this report and confirms the following:	
1. Assistant Director/Head of Service [Adrian Bloomfield] has reviewed the documentation and is satisfied for it to be referred to Board for consideration	X
2. Advice The Finance and Legal teams have commented on this proposal: [Tania Legore] Legal Advisor , on behalf of General Counsel (Head of Law and Monitoring Officer). [David O'Sullivan] Financial Advisor , on behalf of the Chief Finance Officer.	X X



**The
Pensions
Regulator**

Making workplace pensions work

Supervisory review report to the Scheme Manager and Pension Board

London Fire Brigade Firefighters Pension – August 2022

Contents

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Overview

We are pleased to provide the Scheme Manager ('SM') and Pension Board ('PB') with the results of the 2022 TPR relationship supervision review of the London Fire Brigade Firefighters Pension ('the Scheme').

The purpose of the review was for TPR to gain an understanding of, and to provide comments to the SM and PB on, how the Scheme operates and the management and governance controls in place. The review provided the opportunity for TPR to understand how the SM and PB ensures compliance with legislation; adherence to codes of practice; and the application of good industry practice.

We would like to express our gratitude to all the SM and third-party administrator Local Pensions Partnership Administration ('LPPA') representatives who took part in the supervisory engagement and in particular our thanks go to Adrian Bloomfield and Rory Murphy for their time, commitment, openness and willingness to share information and documentation and the co-ordination of the various meetings held.

It is important to note that this review was undertaken at a high level and for the above purpose only, based on meetings with SM representatives. These meetings were supplemented by a review of Scheme documentation* as well as observing the March 2022 PB meeting. The review is not an in-depth evaluation of all facets of the Scheme and is not intended to be used for any other purpose, relied upon by third parties, or replace audit requirements. Nor is this review to be considered as an endorsement of the Scheme by TPR.

*Details of meetings and documentation are located in Appendix 1 and 2

Executive Summary (1)

Overall, our opinion is that the Scheme is operating and performing broadly to our expectations against the public service code, guidance and legislation. However, our findings lead us to conclude that there are opportunities to make improvements in some areas.

Our findings show regular PB meetings are held in line with TPR's expectations and detailed meeting packs are prepared and shared in advance with minutes formally prepared and agreed.

We are encouraged the PB and SM representatives identified a potential issue with the quorate of some PB meetings and took active steps to address this with a revised Terms of Reference ('TOR') for a slightly reduced number of board members.

We note a reporting breaches policy is in place that clearly sets out how breaches are considered and reported; it was useful to see how SM representatives implemented this recently by reporting a breach to TPR in early 2022.

We are glad to see the PB and SM representatives are actively considering how to promote membership to the Scheme for underrepresented groups and a working group has been set up to consider this further.

We are also pleased that regular data quality reviews are undertaken by the administrator, LPPA, which show high levels of accurate and complete member records are held. We acknowledge the record keeping scores are regularly shared with TPR.

It is positive a good, working relationship has been established between the SM representatives and LPPA, where regular engagement and oversight takes place as we would expect.

We note due diligence takes place on transfer requests to ensure they are to genuine schemes, and we acknowledge LPPA has signed up to TPR's Pension Scams Pledge to help combat pension scams.

We note management information and reporting is in place with the LPPA's detailed quarterly reports that clearly set out important information in key areas including data quality and the administrator's performance against SLAs and customer satisfaction scores.

We note a two-stage process is in place for the Internal Dispute Resolution ('IDRP') complaints and a complaints log held to help identify any trends and patterns. We understand five IDRP cases were reported as live during the period December 2021- January 2022. This is in the context of a Scheme with a total membership of 15,123 (Q3 21/22) across the three schemes.

Executive Summary (2)

To assist the SM and PB we have identified some areas of improvement:

Whilst we found some information about the PB was published, it did not include all the relevant information required to be published and was not easy to find. We recommended the required PB information was published as a priority. We note this has since been rectified and over the longer-term a dedicated PB area on London Fire Brigade's ('LFB') website to publish additional PB information will be explored. We suggest further consideration is also given to the search function on LFB's website so PB information can be easily found.

We note there are documented policies in place for reporting breaches and the IDRPs, however, documented policies do not exist in key areas such as managing conflicts of interest and maintaining contributions. TPR expects policies such as these to be documented as set out in its Code of Practice No.14.

We suggest consideration is also given to the structure of the PB and the existing arrangement of the annual rotation of the Chair and Vice Chair positions. We encourage the SM and PB gives consideration to appointing Independent Chair and / or Vice Chair positions that would allow for continuity and provide strategic direction and leadership of the PB as well as utilising the knowledge, skills and expertise of independent individuals.

We encourage the SM to expand upon the existing Risk Plan or implement a further document that clearly sets out the SM's approach to Risk Management and the roles and responsibilities of those involved within this key governance area. This is to ensure it is clear to all key stakeholders how the SM identifies, evaluates and manages risks specifically for the Scheme. We also recommend the risk register is updated to include additional risks (such as cyber security, dashboard readiness), relevant dates and a column to show updates on progress and current status of the risks identified.

As outlined in the PB's TOR, we suggest a designated person takes responsibility to implement a training policy and framework for the PB. We suggest skills gap analysis is undertaken to determine any knowledge gaps and a training plan set up to address any gaps identified. We also suggest broader topics are incorporated within the training and the training log used to record any other training individuals have completed.

We note a concern raised about the senior level of some of the PB members and the time required to fulfil this role and training. We suggest consideration is given to adding this as a potential risk to the risk register and mitigations put in place if this remains an ongoing concern.

We understand effectiveness reviews have not been completed of the PB which is a task TPR would expect to be completed on an annual basis for the PB and SM to evaluate the performance and effectiveness of the PB.

Executive Summary (3)

We note some discussions we observed at a PB meeting appeared to be driven from some PB members' concerns who have close links to members as part of their trade body associations. We encourage PB members ensure they are clear on their role and remit and act in this capacity when undertaking pension board matters. We also refer to the TOR which states '*...PB members must act at all times in the interests of the schemes, and not seek to promote the interests of any stakeholder group above another...*'

We note the work and consideration taking place to improve membership of underrepresented groups to the Scheme. We encourage the SM and PB to begin considering ways of how diversity and inclusion can also be applied to the PB structure and to look out for any practical hints, tips and guidance in this space due from the Industry Working Group.

Whilst we acknowledge the high data quality scores for the Scheme, we suggest the SM and LPPA work together to implement a Data Improvement Plan to address the data fails identified in the data quality reports to see if the data quality can be further improved for these members' records. We also encourage, if not already done so, the SM to engage with LPPA to ensure it fully understands how LPPA measures the common and scheme specific data and is satisfied there is robust measuring of relevant data for the Scheme.

High level summary - The following pages summarise our key findings across the two areas in scope Management and Governance & Systems and Processes, and our recommendations for improvement.

Overall assessment - As the report shows, we assessed Management and Governance as **Amber** and Systems and Processes as **Green**.

Key Findings

Areas of Focus: Management and Governance

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Good governance involves having a motivated, knowledgeable and skilled pension board in place. It's also about having the right structures and processes to enable effective, timely decisions and risk management, in line with clear scheme objectives. Board members must remain current and up to date in their knowledge and understanding, reviewing at least annually and undertaking learning to fill any gaps identified.

Findings	Recommendations
<p>Publishing PB information</p> <p>We note some information about the PB was published however it was not easy to locate and it did not include all information legally required to be published about the PB (such as information on who all the PB members are and who they represent).</p> <p>We note this has since been rectified following TPR engagement and over the longer-term a dedicated PB area on LFB's website to publish additional PB information will be explored.</p> <p>A revised search for the recently published PB information still proved difficult to find using the search function.</p> <p>We note from our evaluation discussions that the Governance Team at LFB will be considering reviewing and replacing the website to improve it so it is easier to use and find information.</p>	<p>We recommend the SM ensures information published about the PB is kept up-to-date as required.</p> <p>We agree it will be helpful to have a dedicated PB section on the website and suggest further consideration is also given to the search function so PB information can be easily found using this.</p>

Key Findings

Areas of Focus: Management and Governance

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings	Recommendations
<p>Conflict of interest policy</p> <p>We note Conflicts of interest are asked to be declared at the beginning of each PB meeting and there are examples of how conflicts have been managed. Whilst the TOR for the PB refers to Conflicts of Interest, there is no documented policy in place that sets out how the SM and PB will identify, monitor and manage Conflicts of Interests.</p> <p>It is not clear whether PB members complete any documentation on their appointment to the PB, such as a declaration of their interests, and if any central record of the PB's declared interests is held and maintained by the SM.</p>	<p>As per paragraph 77 of the Code of Practice No 14, TPR expects a documented Conflicts of Interest policy is implemented which clearly sets out how the SM and PB will identify, monitor and manage Conflicts of Interest.</p> <p>We also recommend the PB members complete a declaration of interests form on their appointment to the PB, if not already done so, and from time to time reviewed, and a central record is maintained of all the PB's declared interests which will allow the SM and PB to manage any potential conflicts that may arise or cease to exist.</p>

Key Findings

Areas of Focus: Management and Governance (cont.)

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings

Composition of PB

We found a TOR is in place for the PB which shows the PB is set up with equal employee and employer representatives as required by legislation. The PB has an annual rotating Chair and Vice Chair which are selected from the PB members and alternated between the PB employee and employer representatives.

It is encouraging attention has recently been given to revise the TOR to prevent quorate issues that have previously arisen at some PB meetings. The intention is to revise the TOR to reduce the PB membership from five employee and five employer representatives to four of each. It is good to see the PB recognised this was an issue and took steps to find a solution.

Recommendations

As discussed in our evaluation meetings, we suggest consideration is given to how effective it is having rotating annual Chair and Vice Chair positions. We encourage the SM and PB gives consideration to appointing Independent Chair and / or Vice Chair positions who will help bring independence to the PB and provide continuity of leadership and strategic direction of the PB and implement as appropriate. You may wish to speak with other Pension Boards who have Independent Chairs and Vice Chairs about the benefits of this approach for them.

Key Findings

Areas of Focus: Management and Governance

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings

Documented policies

We found there are documented policies in place for the IDRPs and Reporting Breaches, however, documented policies do not exist for other areas such as Conflicts of Interest (which is referred to on slide 8), maintaining contributions (which is referred to on slides 20 & 21) and Risk Management (which is referred to on slides 11 & 12).

We note some hesitancy was raised during our evaluation discussions of having separate documented policies from the LFB and what the benefits of doing this are.

Recommendations

As set out in paragraph 42 of the Code of Practice No 14, TPR expects documented administration policies are put in place for areas such as Conflicts of Interest, record keeping, reporting breaches, maintaining contributions and internal dispute resolution.

This is to ensure clarity of approach the SM is taking in these areas and the roles and responsibilities of those involved. Having documented policies in place ensures the PB has a good working knowledge of the SM's approach in key areas so it can maintain the appropriate oversight. It also helps prevent any key person risks and can be used for training purposes for new starters and help the PB meet knowledge and understanding requirements. We therefore recommend documented policies are put in place in the areas where these do not currently exist and subsequently shared with TPR. We do not have any preference to the format of these policies and note the SM may consider documenting these policies in one document.

Key Findings

Areas of Focus: Management and Governance (cont.)

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings

Risk Management (continued on next slide)

A separate report on the Firefighter’s Pension Risk Plan is produced twice a year by the SM representatives for the PB - once in the summer and once for the PB’s Annual Report. The risk plan is included within the regular PB’s Update Report for the rest of the year.

There is a Risk Plan and risk register in place, however the former is relatively high level and does not detail the SM’s approach or process for identifying, evaluating and managing risks or which parties or individuals are involved (with clear roles and responsibilities identified).

A documented Risk Management Strategy shared with TPR sets out the LFB’s approach to risk management as an organisation however there is no reference to the Scheme within this and how Scheme risks will be managed.

Recommendations

We encourage the SM to expand upon the existing Risk Plan or implement a further document that clearly sets out the SM’s approach to Risk Management for the Scheme and the roles and responsibilities of those involved within this key governance area. This is so it is clear to all key stakeholders how the SM identifies, evaluates and manages Scheme risks.

Key Findings

Areas of Focus: Management and Governance (cont.)

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings

Risk Management

The risks on the risk register are what we would expect to be included, however, there are some additional ones such as cyber security, record keeping / data, pension dashboards that should also be considered to be included. We understand cyber security is included on LFB's IT risk register, however, given that cyber security is a risk for the Scheme we consider this is a risk that should also feature on the Scheme's risk register.

The risk register does not include very much commentary or information on the mitigations and controls in place and there are no dates included (i.e. dates risks identified, target mitigation dates, and review dates of the risks). There is also no information provided on any risks that have been mitigated / closed and what action has been taken.

Risk is an agenda item at PB meetings where the PB are invited to discuss the risks and consider any additional risks. At the PB meeting TPR observed in March 2022, risk was on the agenda however a full discussion was not held due to time running out and longer discussions held on other areas.

Recommendations

We suggest further consideration is given to including additional risks to the risk register such as cyber security, record keeping / data and readiness for pension dashboards.

We suggest the risk register is updated to include further detail on the mitigations and controls in place for the risks identified and include dates the risks were identified, target mitigation dates and review dates.

It is also recommended an additional column is added to the risk register to include updates on progress and what the current status is. We suggest information is also provided on any risks that have been mitigated and what action was taken. The Firefighters Scheme Advisory Board's risk register is a good example: [SAB-risk-register-September-2021.xlsx \(live.com\)](#)

We suggest risk is either moved higher up the PB meeting agendas and/or meetings extended to allow for full discussion on risk which is a key area of governance for discussion.

Key Findings

Areas of Focus: Management and Governance (cont.)

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings	Recommendations
<p>PB Training (continued on next slide) Training for the PB includes sessions from the Local Government Association ('LGA') (although these were paused during the pandemic), TPR's online Public Service toolkit, and short training sessions by LPPA at PB meetings.</p> <p>The TOR sets out that there will be a designated person who will establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to PB members, however it is not evident who the designated person is and whether any such policy and framework has been formally established.</p> <p>A training log is maintained of the PB member's training undertaken however it does not include any other training / Continuing Professional Development ('CPD') activity undertaken by the PB members individually, and some PB members do not have any training recorded at all.</p>	<p>We recommend, as outlined in paragraph 13 of the TOR, a designated person takes responsibility and ownership for formally establishing and implementing a policy and framework to address the knowledge and understanding requirements of the PB.</p> <p>We suggest the training log should also include details of any individual training / CPD activities undertaken by the PB members (including but not limited to, attending conferences, webinars, sessions with advisers, reading etc) to ensure a full record of all training undertaken is kept and maintained.</p>

Key Findings

Areas of Focus: Management and Governance (cont.)

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings	Recommendations
<p>PB Training</p> <p>There does not appear to be a documented training plan in place for the next 12 months and training topics appear to be arranged from what the PB expresses an interest in. We found that no skills gap analysis had been undertaken to identify PB training needs.</p> <p>During our evaluation discussions, a concern was raised about the time required for the PB role and training in light of the senior positions some members of the PB have, and whether there could be potential difficulties in retaining and attracting individuals to the PB.</p>	<p>We recommend that a training plan is put in place and any training planned looks to address any gaps identified in the PB's knowledge and understanding. Any gaps can be identified using a skills matrix, questionnaires, performance reviews etc. We also suggest future training sessions incorporate broader and current topical issues such as cyber security, pension dashboards, conflicts of interest, diversity and inclusion as well as scheme specific topics.</p> <p>The PB role is a key part in ensuring schemes are governed and managed in accordance with legislation and scheme regulations, and therefore there is an expectation PB members dedicate sufficient time in order to meet their duties of this role. We suggest consideration is given whether to add the concern as a potential risk to the Scheme's risk register and any measures that can be put in place to mitigate this risk. For example, consideration could be given to whether different levels of staff may sit on the PB.</p>

Key Findings

Areas of Focus: Management and Governance

Overall Assessment:

Amber

Findings	Recommendations
<p>Pension Board effectiveness reviews</p> <p>We note during our evaluation discussions that the SM representatives confirmed there have been no effectiveness reviews undertaken of the PB.</p>	<p>As per TPR's guidance, we expect annual effectiveness reviews are undertaken for the PB on an annual basis to evaluate how effective the PB is.</p> <p>There are tools on TPR's website that you may wish to use in assessing the effectiveness of the PB. These include a skills matrix and a questionnaire which can be found using this link: Knowledge and understanding public service schemes The Pensions Regulator</p> <p>We suggest consideration is also given to holding annual performance reviews of the PB members as these will help identify how PB members are adding value as well as identify any potential gaps in knowledge and understanding which can help formulate individual training plans and ensure the PB as a whole has the relevant knowledge and understanding. This is a task that might be taken forward by an Independent Chair who is appointed for a number of years and will therefore provide continuity.</p>

Key Findings

Areas of Focus: Management and Governance (cont.)

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings

Reporting breaches

There is a clear documented policy in place which sets out how breaches should be reported to TPR.

It is good to see a record of breaches is in place that records breaches, the cause of the breach, the outcome and outstanding actions. The record of breaches shared with TPR shows one breach recorded. It is not clear whether that is because there are no other breaches that have arisen, or whether the record of breaches form has recently been implemented.

There is evidence of the SM reporting to TPR with a recent Breach of law reported relating to a processing error in some senior staff members' pay being treated as pensionable when they should have been non-pensionable. Corrective steps have since been taken to address the error and internal auditors are currently reviewing the controls in place within the payroll system.

Recommendations

We suggest the SM ensures the record of breaches is maintained to ensure all identified breaches are recorded and risk rated (red, amber, green) in line with TPR's traffic light framework [PS-reporting-breaches-examples-traffic-light-framework](#) including any breaches that are identified by the third party administrator.

Key Findings

Areas of Focus: Management and Governance (cont.)

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings

PB meetings (continued on next slide)

The PB meets on a quarterly basis and extraordinary meetings have also been held with discussions on Immediate Detriment and the options for the service provider who provides the Scheme's pension administration.

Detailed PB meeting packs are prepared and issued in advance of the meetings to allow for preparation and reading time. Formal minutes are also prepared by the Governance team and approved by the PB. Virtual meetings have been held during the pandemic and a face to face board meeting was planned for June 2022.

We observed the March 2022 PB meeting and found this to be chaired well with a professional and friendly atmosphere throughout. Relevant officers from LFB were also in attendance as well as LPPA representatives who gave an update on performance and their move to a new administration system.

Recommendations

Please see next slide

Key Findings

Areas of Focus: Management and Governance (cont.)

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings

PB meetings

We observed some challenges raised by the PB throughout the meeting – LPPA call wait times and a delay in processing immediate detriment cases. The latter discussion appeared to be driven from some PB members' concerns who have close links to members as part of their trade body associations.

It was encouraging to observe the PB discussing and considering ways of how they can improve membership to the Scheme from minority groups and ensuring the benefits of the Scheme are communicated to all staff.

Recommendations

As referred to in paragraph 6 of the TOR, we encourage PB members to act at all times in the interests of all members of the schemes, and not seek to promote the interests of any stakeholder group above another.

We encourage PB members to ensure they are clear on their role and remit and act in this capacity when undertaking pension board matters particularly when discussing contentious items.

As referred to in slide 9, appointment of an Independent Chair and Vice Chair would introduce a degree of independence to the PB and provide it with continuity of leadership and strategic direction.

Key Findings

Areas of Focus: Management and Governance (cont.)

Overall Assessment:

Amber

Code of Practice 14 – Governing your scheme / Knowledge and understanding

Findings

Diversity and inclusion

It is encouraging to see the PB and SM taking steps to ensure underrepresented groups are included in the Scheme membership. We observed discussions on this at the March 2022 PB meeting.

An Equalities Working Group has been set up to help the PB better understand some of the underlying reasons why higher numbers of women and BAME staff don't enrol and /or opt out of the Firefighter schemes. This group is working with LFB Equality Support Groups with the aim to obtain an improved understanding to assist messaging to better communicate the benefits of the Scheme to these groups.

It is also understood from the documentation provided that Equality Impact Assessments are undertaken for the SM representatives' papers sent to the PB.

Recommendations

One of TPR's aims in our published Equality, Diversity and Inclusion strategy (ED&I) [Equality, Diversity and Inclusion Strategy | The Pensions Regulator](#), is to promote high standards of diversity and inclusion among our regulated community.

TPR considers a governing body made up of people who have a greater range of backgrounds, life experiences, expertise and skills will tend to lead to wider discussions. Additionally, people challenging each other from different perspectives is likely to result in more robust decision-making.

We acknowledge the good work being undertaken to ensure underrepresented groups are included in the Scheme membership. We encourage the SM and PB to also begin having conversations about how diversity and inclusion may be incorporated within the composition and structure of the PB and look out for any practical guidance and hints and tips that are expected to be shared by the Industry working group (which has been set up to consider this further).

Key Findings

Areas of Focus: Systems and Processes

Overall Assessment

Green

Code of Practice 14 – Administration

Pension boards should consider administration as a substantive item at every meeting, with ongoing oversight of administration providers a priority. Processes for monitoring timeliness and accuracy of financial transactions, record keeping, administrative tasks and responses to member requests should be in place with regular MI reports received on performance of providers against agreed SLAs.

Findings

Payments and Contributions (continued on next slide)

The Scheme is an unfunded pension fund so there is no separate fund where money is invested. It is understood from the evaluation discussions that contributions are administered using an account reference/code which is included on an annual return to the Home Office ('HO'). The annual return includes a net figure of the contributions, transfers in, payments out of the Scheme, lump sums etc. In the earlier days of the Scheme when it was less mature, the LFB would make payments to the HO but now the Scheme is more mature, monies are received from the HO. LFB establish what the net figure is and prepare a 7 year return forecast with 80% forecast of the net cost on the focus year. Final reconciliations are completed for the 20% payment due from the previous year.

Given how this contribution accounting mechanism operates, we were informed there is unlikely to be an issue with late payment of contributions.

Recommendations

Please see next slide

Key Findings

Areas of Focus: Systems and Processes

Overall Assessment

Green

Code of Practice 14 – Administration

Pension boards should consider administration as a substantive item at every meeting, with ongoing oversight of administration providers a priority. Processes for monitoring timeliness and accuracy of financial transactions, record keeping, administrative tasks and responses to member requests should be in place with regular MI reports received on performance of providers against agreed SLAs.

Findings

Payments and Contributions

From our evaluation discussions, there does not appear to be a documented managing contributions policy held that sets out how the contribution accounting mechanism operates and the roles and responsibilities of the parties involved.

Recommendations

We recommend a documented maintaining contributions policy is put in place in order to ensure the PB and SM representatives are all aware how the contribution accounting mechanism operates for the Scheme and what teams, individuals and organisations roles and responsibilities are for operating and maintaining this.

This will help ensure the PB and SM have the appropriate knowledge and oversight, help prevent any key person risks if there is any reliance on any individuals and support any training for individuals and teams that may administer the contributions in the future.

Key Findings

Areas of Focus: Systems and Processes (cont.)

Overall Assessment:

Green

Code of Practice 14 – Administration

Findings

Record Keeping / Data Integrity (continued on next slide)

The employer, LFB, submits data via a secure portal which then uploads to LPPA's main administration system on a monthly basis. LPPA complete checks against the regular returns received from LFB via the secure portal. Data is validated and reconciled as it comes through. LPPA have advised that data is backed up regularly.

It is encouraging that the Scheme's data is regularly reviewed and reported to understand the quality of the Scheme's data.

LPPA provide data quality scores on a quarterly basis within their quarterly reports. The last quarterly report provided to TPR (1 October-31 December 2021) shows the scores as 98.8% and 97.1% respectively.

It is good to see the SM has regularly submitted the record keeping scores to TPR via Exchange since 2018 as required and the latest scores were reported in November 2021.

Recommendations

Please see next slide

Key Findings

Areas of Focus: Systems and Processes (cont.)

Overall Assessment:

Green

Code of Practice 14 – Administration

Findings

Record Keeping / Data Integrity

Within the data quality reported information, a number of data fails have been identified. It is not clear from the reports what actions LPPA are taking to address the data fails. We understand from our evaluation discussions that LPPA uses a company called Target to trace deferred members where contact has been lost.

Recommendations

We acknowledge the data scores are high and recognise it isn't always possible to have 100% data scores. However, we suggest the SM and LPPA work together to implement a data improvement plan in order to address the data fails identified to see if the data quality can be further improved for these members' records.

A data improvement plan does not need to be complicated and the amount of detail depends on the complexity of the issues you are trying to address.

We suggest LPPA also consider including an update in the quarterly reports so it is clear what the impact of the data fails are and the action being taken to address these.

If not already done so, we encourage the SM to engage with LPPA to ensure it fully understands how LPPA measures the common and scheme specific data and is satisfied there is robust measuring both of presence and accuracy of this data.

Key Findings

Areas of Focus: Systems and Processes (cont.)

Overall Assessment:

Green

Code of Practice 14 – Administration

Findings	Recommendations
<p>Oversight of service providers (continued on next slide)</p> <p>LPPA is the third party administrator that has been providing administration since 2016. The SM holds regular meetings with LPPA - fortnightly meetings are held between the LFB's Assistant Director of Finance, the Finance Manager and the Commercial Director of LPPA and monthly operational meetings are also held where areas of work, any performance issues, any complaints etc are discussed.</p> <p>Quarterly reports are prepared by LPPA and shared with the SM representatives. The reports include information on how LPPA are performing against SLAs and customer satisfaction scores. These reports are discussed at the operational meetings with LPPA.</p> <p>Representatives from LPPA attend every PB meeting where they share information on their performance and answer any questions raised by the PB. It is encouraging to see the PB are comfortable to question LPPA on areas where they see improvements can be made, for example on LPPA's call wait times (which we were informed LPPA had a good plan to address this and call wait times have since improved).</p>	<p>No recommendations</p>

Key Findings

Areas of Focus: Systems and Processes (cont.)

Overall Assessment:

Green

Code of Practice 14 – Administration

Findings	Recommendations
<p>Oversight of service providers</p> <p>LPPA have recently implemented a new pension administration system that went live in March 2022. It is apparent from documentation and evaluation discussions that there has been regular contact between LPPA and SM representatives to ensure the transition went smoothly.</p> <p>It is encouraging to see a review was undertaken in late 2019 / early 2020 of the different options available for the Scheme's administration (retain LPPA, bring the administration in house or use another provider). A decision was made to retain LPPA for a further three years due to the work required for the McCloud remedy and the uncertainty and challenge this will bring.</p> <p>SM representatives and LPPA have been working together to prepare for the McCloud remedy and have been engaging with the LGA and HO including discussions on the treatment of Immediate Detriment cases. We were informed a plan and timetable is in place for system improvements to be implemented and affected members have been identified and payroll records will be reviewed.</p> <p>There appears to be a good, open, working relationship between the SM representatives and LPPA.</p>	<p>No recommendations</p>

Key Findings

Areas of Focus: Systems and Processes (cont.)

Overall Assessment:

Green

Code of Practice 14 – Administration

Findings	Recommendations
<p>Member transfers</p> <p>Due to the nature of the Scheme and the legal restrictions placed on transfers to schemes offering flexible benefits there is a reduced risk of pension scams occurring.</p> <p>Transfers out of the Scheme are mostly to other Fire Authorities. Due diligence is undertaken by LPPA on transfer requests to other Fire authorities (ensuring they are genuine) and also with overseas transfer requests.</p> <p>LPPA has signed a pledge under TPR's Pension Scam Pledge campaign and has dedicated pages on its website to help combat pension scams.</p>	<p>No recommendations</p>

Key Findings

Areas of Focus: Systems and Processes (cont.)

Overall Assessment:

Green

Code of Practice 14 – Administration

Findings	Recommendations
<p>Management Information</p> <p>There is evidence that performance reporting is undertaken regularly by LPPA with detailed quarterly reports provided to the SM representatives. The reports include information on membership statistics, casework performance, data quality, customer satisfaction scores, helpdesk performance, etc. The quarterly reports are sent to LFB’s Assistant Director of Finance and the Finance Manager and are also included in the PB meeting packs so the PB also have sight of these.</p> <p>We have seen PB meeting packs that show reports are also prepared for the PB by the SM representatives. These include ‘Provision of Information’ and ‘Update’ reports which includes information expected for the PB to have the relevant information required to ensure the Scheme is being managed appropriately and any key issues highlighted.</p>	<p>No recommendations</p>

Key Findings

Areas of Focus: Systems and Processes (cont.)

Overall Assessment:

Green

Code of Practice 14 – Administration

Findings	Recommendations
<p>Complaint Management</p> <p>The SM has a documented Internal Dispute Resolution Procedure (IDRP) policy in place which shows IDRPs are managed as a two stage process. The Assistant Director of Finance at LFB is the first stage decision maker and the Director of Corporate Services is the second stage decision maker.</p> <p>Active members can access IDRPs via contacting People Services and / or the intranet. LPPAs also have information and relevant forms on their website about how members can make complaints.</p> <p>It is noted from our evaluation discussions that a central log of all complaints is held within the People Services team at LFB so any trends and patterns can be identified.</p> <p>It is good to see that anonymised IDRPs are reported to the PB and complaints made to LPPAs are reported on and shared with LFB regularly so the SM and PB have the relevant oversight.</p> <p>There were 5 IDRPs reported as live during the period December 2021-January 2022. This is in the context of a Scheme with a total membership of 15,123 (Q3 21/22) across the schemes.</p>	<p>No recommendations</p>

Next steps

- SM and PB to consider the recommendations of this report and formulate an action plan to be shared with TPR
- TPR to schedule a meeting with SM to review proposed action plan
- Implementation of recommended actions to be completed within 3-6 months where possible
- TPR to schedule a meeting to review progress of the action plan 3 months from agreement of the action plan

Summary of recommendations

1. Management and Governance

- 1.1 Ensure information published about the PB is kept up to date as required and consideration given to the search function so PB information can be found easily
- 1.2 Implement a documented Conflicts of Interest policy, declaration of interest's forms (for PB members to complete on appointment and from time to time reviewed) and central log of PB member's declared interests
- 1.3 Consider appointment of Independent Chair / Vice Chair positions
- 1.4 Implement documented administration policies for key areas where these do not currently exist
- 1.5 Expand upon the existing Risk Plan or put in place a new document setting out the SM's approach to Risk Management
- 1.6 Consider additional risks for risk register, update the risk register to include further detail on mitigations and controls, dates, updates on progress, risks mitigated, and consider moving risk higher up PB meeting agenda and / or consider extending PB meetings to allow full discussion on risk to take place
- 1.7 Appoint a designated person to take responsibility and ownership to establish training policy and framework for the PB
- 1.8 Include details of any individual training / CPD activities undertaken by the PB members on the training log
- 1.9 Undertake skills gap analysis of the PB and put in place a training plan following this and look to incorporate broader, current topical subjects
- 1.10 Consider whether the concern regarding PB senior members' time is a potential risk to be added to the risk register and any mitigations for this
- 1.11 Complete an effectiveness review of the PB (and annually thereafter) and consider implementing annual performance reviews of PB members
- 1.12 Ensure all breaches identified are recorded on the breaches log including any breaches identified by LPPA
- 1.13 Encourage PB members to ensure they are clear on their role and remit and act in this capacity when undertaking pension board matters
- 1.14 Begin conversations on how diversity and inclusion can be incorporated into the PB composition and structure

Summary of recommendations

2. Systems and Processes

2.1 Document maintaining contributions policy

2.2 Implement Data Improvement plan to address data fails identified, consideration for LPPA to include update in quarterly reports of impact of data fails and actions being taken to address these, and engagement with LPPA to fully understand how LPPA measures the common and scheme specific data and there is robust measuring of data.



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Appendices

Appendix 1: Meetings held

9 December 2019 - Introduction to Relationship Supervision

1 April 2020 – Call on response to Covid-19

14 March 2022 – Observation of PB meeting / Overview of Relationship Supervision

5 April 2022- 1st Evaluation meeting (Management & Governance)

8 April 2022 - 2nd Evaluation meeting (Management & Governance)

29 April 2022 - 3rd Evaluation meeting (Systems & Processes)

9 May 2022 – 4th Evaluation meeting (Systems & Processes)

27 May 2022 – TPR's role in McCloud remedy and supervisory engagement / process

Appendix 2: Materials reviewed

LFB structure

Local Pension Board Agenda - 11 December 2019

Firefighters Pensions Scheme Discretions

Firefighters Pensions Scheme Risk Plan - 6 Feb 2019

LPP Monthly Report – December 2019

LPP Monthly Report – November 2019

LPP Monthly Report – October 2019

LFB Arrangements for Discharge - 25 March 2013

LFB Working Arrangement Document

London Fire Commissioner's LPB – signed

LFC-0146 Local Pension Board Annual Report 2018.19

Local Pension Board Agenda 11 December 2019

Local Pension Board Agenda Pack 30 September 2019

Procedure Notes - LFC Fire Firefighters Pension

2017-18 Review of Key Financial Systems - final report
(issued 23.04.18)

2018-19 Review of Payroll and Pension - final report

2019-20 Review of Local Pensions Partnership - final ToR

LPP contract meeting action points – Sep-Nov 2019

Agendas for LPP /LPB meetings – Sep-Dec 2019

Copy of LFB Data Improvement Plan - 2019-20

LPB – revised membership and TOR – Sep 2019

FEP2429 - Firefighters Pension Scheme 2015 - Scheme
of Delegation of Functions

Fire 2015 Scheme Discretions

Fire Fighters' Pensions Schemes 2015-16 - Final Audit
Report

Firefighters Local Pension Board - Annual Report and
Work Plan- 6 Feb 2019

Policy number 0952 - internal dispute resolution
procedures (IDRP)

LPB Annual Report 2020-21 - CB and FRB 7 April 2021
Final

LPP Contract meeting action points – Sep 2021

Appendix 1 - LPB Risk Plan 13 Sept 2021 - Final

Local Pension Board - 27 September 21

LPP Annual Compliance Report

13 Dec 2021 LPB agenda pack

LPP Quarterly Administration Report (Q3 21)

LPP Quarterly Administration Report (Q2 21)

Local Pension Board Terms of Reference LPB Training
log

Appendix 3 – Record of Breaches

LPP contract meeting action points – Sep -Nov 21

Policy LPB reporting legal breaches to TPR

LPB – Hotwire

Local Pension Board 14 March 2022 Agenda pack
Register of interests

London Fire GMP reconciliation completion report
Risk Management Strategy 2021 (Post GLA
review)

Review of Key Financial Systems - Amendments
within the Payroll System - Final ToR

LPB - Record of Breaches for LFC

SLA's Post Go Live UPM London Fire

TPR Relationship Supervision Review 2022

TPR Findings	Recommendations	Actions Plans	Action Plan Owner
<p>Publishing Local Pension Board (LPB) information: Not easy to locate and find out all information legally required to be published about the LPB, such information on who are all LPB members and who they represent</p>	<p>SM to ensure information published about the LPB is kept up to date as required. It would be helpful to have a dedicated LPB section on the website and search function</p>	<p>Discuss with Governance and Comms team the details of implementation of LPB information and introductions of improved tool search for easy news/information findings. Set up discussion in October/ November 2022 and implementation December 2022</p>	<p>Kat Pilarska</p>
<p>Conflict of interest: No documented policy in place that sets out how the SM and LPB will identify, monitor and manage Conflict of Interest</p>	<p>Conflict of Interest policy to be implemented and clearly set how the SM and LPB will identify, monitor and manage Conflict of Interest. LPB are required to complete declaration of interest form on their appointment to the LPB, which would be maintained via central record.</p>	<p>To implement a declaration of interest form and conflict of interest policy. Each newly appointed member of LPB to complete and sign it prior taking the role. Keep the central location of such forms and review regularly and as and when required. Meet with Governance and implement by end of December 2022</p>	<p>Kat Pilarska</p>
<p>Risk Register: Risk items related to cyber security, record keeping, data pension dashboards are not included in the register. No information on risk mitigation and controls, no dates included of identified risks, target mitigation dates, review dates of the risks. No dates on risks that have been mitigated/closed</p>	<p>To add information related to cyber/record keeping, data and readiness for pension boards. Update risk register on mitigations and controls for the risks identified and include relevant dates. Additional columns to be added to risk register to include updates, progress and current status. Information on any mitigated risk and actions taken.</p>	<p>Use template of Firefighters Scheme Advisory Board as example: SAB-risk-register-September-2021 to add additional column detailing mitigation, controls and progress/updates. Separate risk plan and Move risk higher up the agenda? Implement by December 2022</p>	<p>Kat Pilarska</p>
<p>Training: No log maintained for LPB training: Session from the LGA, TPR's online Public Service toolkit and short sessions by LPPA at LPB meetings.</p>	<p>Training log to be maintained on the LPB members training does not include continuous professional development and any other training undertaken by members individually and some of the LPB members do not have any training recorded at all.</p>	<p>Training log to include any individual training / CPD activities including conferences, webinars, sessions with advisers, readings, etc. Ensure full record of training is maintained. Implement training log with a plan on how it will be maintained by end of October 2022</p>	<p>Kat Pilarska</p>
<p>Training Plan: No documented training plan for the next 12 months including training topics that LPB would like to cover. No skills gap identified to LPB training needs. No time frame identified which is required for training which might cause difficulties to attract senior staff for the LPB.</p>	<p>To put training plan in place and address any knowledge gaps and provide broader topical issues training. Identify time frame for training needs and communicate with senior staff required for LPB roles.</p>	<p>Use skills matrix, questionnaires, performance reviews to identify knowledge gaps. Incorporate future training sessions covering broader topics, issues related to cyber security, pension dashboards, conflict of interest, diversity and inclusion and scheme specific. Liaise with People Services to implement skills matrix</p>	<p>Kat Pilarska</p>
<p>Pension Board Effectiveness: No such reviews undertaken of the LPB</p>	<p>Annual performance reviews of the LPB members to help identify how LPB members are adding value and identify potential gaps in knowledge and understanding training needs and plans to implement relevant requirements.</p>	<p>There are tools on TPR's website that you be useful in assessing the effectiveness of the LPB. These include a skills matrix and a questionnaire which can be found using link: Knowledge and understanding public service schemes The Pensions Regulator. Newly appointed Chair will provide additional expertise to review the effectiveness of LPB - to be appointed by April 2023, if so determined by the Scheme Manager</p>	<p>Kat Pilarska</p>
<p>Reporting Breaches of the law: Policies in place how to report breaches, but not clear if all of them have been recorded.</p>	<p>SM to ensure the record of breaches is maintained to ensure identified examples are recorded and risk rated (red,amber,green) including any breaches identified by third party administrator</p>	<p>Promulgate breaches of the law policy and Use TPR traffic framework when identifying breaches: PS-reporting-breaches-examples-traffic-light-framework. Consideration to be given to having ONE amalgamated policy by March 2023</p>	<p>Kat Pilarska</p>
<p>LPB meetings: Delays in processing immediate detriments raised by LPB members who have links to trade unions</p>	<p>To ensure LPB members are clear on their role and remit to act in the interest of members of the schemes and do not promote the interests of any stakeholders group.</p>	<p>Appointment of an Independent Chair would introduce a degree of independence to the LPB and provide continuity of leadership and strategic direction. Report about appointment of an independent Chair at the rate of £15,000 p/a for the 4 year period, total of £60,000. Board meeting for decision at 18th October 2022. New Chair appointment approx. April 2023</p>	<p>Adrian Bloomfield</p>

TPR Findings	Recommendations	Actions Plans	Action Plan Owner
<p>Diversity and Inclusion: To ensure underrepresented groups are included in Scheme membership and understand why women and BAME don't enrol or opt out</p>	<p>Equalities Working Group to assist LPB in better understanding in underlying reasons sets out in these findings. To develop better communications about the benefits of the Scheme in these groups</p>	<p>Governing body to be made up of a greater range of backgrounds, life experience, expertise and skills. SM and LPB to encourage conversations about how to incorporate inclusion and diversity in the LPB structure. Practical guidance, hints and tips to be shared by the industry working groups. Meeting with Equalities Working Group to prepare communication plans - December 2022</p>	<p>Kat Pilarska</p>
<p>Payments and Contributions: There is no documented managing contributions policy held that sets how the contribution accounting operates and roles and responsibilities of those involved. (Money received from Home Office based on net figure established by LFB. 7 year forecast return is provided with 80% forecast of the net cost on the focus year. Final recs provided for the 20% payment due from the previous year).</p>	<p>To document contributions policy in order to ensure the LPB and SM representatives are all aware how the contribution accounting mechanism operates for the Scheme and what teams, individuals and organisations roles and responsibilities are for operating and maintaining this.</p>	<p>As recommended to document contributions policy in order to ensure the LPB and SM representatives are all aware how the contribution accounting mechanism operates for the Scheme. Prepare Document Instructions of the contribution accounting by December 2022</p>	<p>Kat Pilarska</p>
<p>Record keeping/data integrity: A number of fails have been identified within data quality, unsure what actions LPPA does to address these fails. Target company was appointed to trace deferred members for correct contact information.</p>	<p>SM and LPPA should implement data improvement plan to address data fails and improve data quality. LPPA to add to their quarterly reports details of data fails and actions taken to improve its recovery. Understand how LPPA measures the common and scheme specific data.</p>	<p>Ensure SM and LPPA have a data improvement plan to address data fails. To implement robust measuring both of presence and accuracy of data. On going implementation of data accuracy</p>	<p>Kat Pilarska</p>
<p>Oversight of Service Providers: LPPA has been providing administration since 2016. The SM holds fortnightly meetings with LPPA and LFB's Assistant Director of Finance, Fin Director and Commercial Dir of LPPS. Qtrly reports are provided by LPPA and shared with SM. LPPA attend every LPB meeting and share information about their performance. There is a good, open working relationship between SM and LPPA.</p>	<p>No recommendations</p>		
<p>Member Transfers: Due to the nature of the Scheme and the legal restrictions on transfers to scheme offering flexible benefits there are reduced risk of pension scams. Transfers out of the Scheme are mostly to other Fire Authorities. Due diligence is undertaken by LPPA on transfer requests (Including overseas) ensuring they are genuine.</p>	<p>No recommendations</p>		
<p>Management information: LPPA provides quarterly performance reports to SM. It includes information on membership stats, casework performance, data quality, customer satisfaction, helpdesk performance, etc. These reports are send to LFB and are included in the LPB meeting packs.</p>	<p>No recommendations</p>		
<p>Complaint Management: The SM has a documented Internal Dispute Resolution Procedure (IDRP) policy in place which shows IDR complaints are managed through 2 stage process, through Assistant Dir. of Finance at LFB and Dir. of Corp. Services. Members can access IDR through People Services or the intranet. There are forms available on the LPPA website about how members can make complaints.</p>	<p>No recommendations</p>		