

Report of the Deputy Chief Fire Officer

Pensions Board Update (Fire Pension Schemes)

Purpose of report

1. To provide an update on the establishment and activities of the Pensions Board.
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Recommendations

It is recommended it be noted that:

- (i) the Pensions Board continues to be compliant with the Public Services Pensions Act 2013;***
- (ii) in line with the recommendations of The Pensions Regulator, the Pensions Board now meets four times a year; and***
- (iii) progress continues to be made on a range of issues as described in the report.***

Introduction and Background

2. The Public Sector Pensions Act 2013 requires Scheme regulations to provide for the establishment of a Pensions Board from 1 April 2015 to assist the Scheme Manager in:
 - Securing compliance with the Scheme regulations and other legislation relating to the governance and administration of the Scheme.
 - Securing compliance with any requirements imposed by The Pensions Regulator.
 - Any other matters as detailed by the regulations.
3. The Authority established its Pensions Board at the Policy and Resources Committee on 25 March 2015. The authority to implement the Pensions Board and make appointments to the Board was delegated to the Head of Legal Services, in consultation with the Chairman of the Policy and Resources Committee.

Update

4. Since the last update delivered to the Policy and Resources Committee on 4 May 2022, the Board has met on four occasions: 26 April 2022, 26 July 2022, 8 November 2022 and 22nd February 2023.

Pension Board Training Needs

5. Recommendations from The Pensions Regulator have been supported to enable the Board to have sufficient knowledge of the pension schemes and their roles as Board members. The Pensions Officer circulated the following training-related documents to members for information:
 - Quick guide to personal development (issued by the Pensions Regulator).
 - A 'learning needs analysis' for each member.
6. In addition to the above training related materials, all members have access to The Pensions Regulators (TPR) online e-learning modules to enable members to actively participate and discuss Board issues; the training covers all pension schemes as well as our role as a Pension Board member.

Composition of Scheme Membership

7. At each meeting, the Board receives and reviews data on the scheme membership across the Service. Membership has stayed consistently high and no trends have been identified.

Scheme Advisory Board Update

8. The role of the Pensions Board is to receive updates from the Scheme Advisory Board and a factsheet has been published regarding the McCloud/Sargeant Remedy. The Pension Ombudsman has acknowledged the action the Government is taking to address the discrimination retrospectively and has indicated they will not be getting involved.
9. The Government has created a Pensions Dashboard, similar to the Government Gateway. It gives details of every pension scheme anyone has ever been a member of. The staging deadline for public service schemes has been extended to September 2024 with the deadline for providing figures pushed back to April 2025.
10. The Board ensured that the Service was considering the legal implications of implementing the Immediate Detriment and that the reasons for the decisions made were documented.

Risk Register Update

11. The Board is required to compile, update and report on any significant risks or issues related to pensions. The Pensions Board Risk Register has now been finalised and aligned to the Service Strategic Risk Register (SRR).
12. Two items that are worthy of note are:
 - An increase in the risk rating for the likelihood, and risk, of a cyber-attack (PEN002) was agreed. The Board also agreed to consider the measures that WYPF have in place in order to determine if this needs to be further increased and controlled.

- A new risk has also been added around the failure to comply with Pensions Dashboard requirements outlined above.

Breaches

13. The Board is required to be made aware of any breaches to the law where that breach is likely to be of material significance. Since the last report, there have been no conflicts of interest or breaches which required to be reported to The Pensions Regulator.

Matthews Remedy

14. The *Matthews* case concerned on-call firefighters who, prior to 2006, were not eligible for membership of the firefighters' pension scheme. This issue was partially addressed in 2006 by the creation of the 2006 Modified Scheme and on-call firefighters who were within scope were given the option to purchase backdated pension benefits (the 'first options exercise'). As a result of the *Matthews* decision, the range of firefighters (and former on-call firefighters) who are within scope has been significantly broadened. It has also become apparent that a significant number of people who should have been in scope did not appear within the first exercise. This is a national issue and not one specific to Hereford & Worcester.
15. Subject to regulations that are expected to be made later this year, there will be a 'second options exercise' to allow eligible individuals the opportunity to purchase pension entitlement as a special member of the 2006 Scheme.
16. The Board noted that forms to support data collection are now available on the LGA website for members to complete in order to determine whether or not they are in scope for the second exercise.
17. There will be three blocks of staff within the exercise: current employees, former employees (with last known addresses) and others for whom addresses have been archived. Given the amount of work involved, particularly in terms of identifying addresses, additional support will be required. Current staff have been updated by the Pensions Officer via a Bulletin article with a link to the FPS form.

Sargeant Remedy Update

18. Relevant legislation is being amended by Parliament which will put in place all of the remedy measures previously discussed. When enacted, this will deliver options for individuals who were moved out of the 1992 and 2006 legacy schemes to have their service during the remedy period (April 2015 – April 2022) recalculated as though it were still members of the legacy scheme for that period. All firefighters will move into the 2015 Scheme from 1 April 2022. The legislation will also set out to resolve the various tax implications around issues such as Authority's payment charges or lump sum payments and other such issues.

Decisions Log

19. A number of decisions have been taken and recorded by the Board that are worthy of note:
- To release a revised Bulletin item to attract new Board members.
 - Add an additional sentence around the use of shadow representatives under the quorum section of the Board's Terms of References.
 - Amend risk register scores and include payroll provider risks as additional risks.
 - Support an uplift in administrative support for the Pension Officer to support the additional workload created by both the Matthews and Sargeant cases. A supporting paper has been presented to SLB who agreed the additional support.

Conclusion/Summary

20. This paper provides an update on the activities of the Pensions Board for the Firefighter Pension Schemes (FPS) to assist the Scheme Manager in securing compliance with the Public Services Pensions Act 2013.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues).	The local Pensions Board has been implemented in accordance with the Public Sector Pensions Act 2013 which is a new burden on Fire Authorities.
Strategic Policy Links & Core Code of Ethics (identify how proposals link in with current priorities and policy framework and align to the Core Code of Ethics)	None.
Risk Management/Health & Safety (identify any risks, the proposed control measures and risk evaluation scores.	A risk register is in place with an additional one for the Sargeant ruling added to the Strategic Risk Register
Consultation (identify any public or other consultation that has been carried out on this matter).	None
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	None
Data Protection Impact Assessment (where personal data is processed a DPIA must be completed to ensure compliant handling).	N/A – all data is processed via third parties (e.g. WYPF)