

Report of the Assistant Chief Fire Officer

Pensions Board Update (Fire Pension Schemes)

Purpose of report

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

Recommendations

It is recommended that the following areas of progress are noted:

- (i) The Pensions Board continues to be compliant with the Public Services Pensions Act 2013.*
- (ii) In line with the Pensions Regulator, it was decided that the Pensions Board would move to four meetings per year.*

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 Policy & Resources Committee.

Update

Pension Board Training Needs

4. Recommendations from the Pensions Board Regulator have been supported to enable to have sufficient knowledge of the pension schemes and their roles as Board members. The LGA provided a training session via MS Teams on 22 February. This is provided once per year to enable members to actively participate

and discuss Board issues; the training will cover all pension schemes as well as our role as a pension member.

Composition of Scheme Membership

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

Scheme Advisory Board

6. The role of the Pensions Board is to receive updates from the Scheme Advisory Board. Since the last report, a survey has been undertaken on workforce and pension statistics by the Home Office and results given. The Board will now look at this data and carry out a comparison with other FRSs. In February 2019, HMT paused the cost cap element of the 2016 valuations (every 4 years there is a valuation of the different funds and actuaries looking at calculations to see if it meets the cost cap). Further clarity will be provided going forward as and when known. From 30 November 2021 strict rules were issued giving FRAs tools to act if they have suspicions about the circumstances that have led a member to transfer a pension, i.e. to a personal pension or occupational pension scheme. FRAs can now physically stop transfers if they become suspicious.
7. The Board ensured that the Service was considering the legal implications of implementing Immediate Detriment and that the reasons for the decisions made were documented

Risk Register Update

8. 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) format to apply a consistent approach with the most significant risks being escalated to the SRR.

Breaches

9. 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.

Sargeant Remedy Update

10. Since the date of the last pensions Board meeting, the Public Service Pensions and Judicial Offices Act 2022 received the Royal Assent on 7th March and lays the foundations for the remedies previously discussed. However, key provisions do not come into effect until implemented by secondary legislation and which will not be completed until October 2023. When fully implemented the Act will deliver options on the Remedy period for individuals who have moved out of legacy schemes. It intends to deliver a set of options for people to move into the 2015 Scheme not previously covered by the Court of Justice ruling and will move everyone into the 2015 Scheme from 1 April 2022. It also sets out to resolve tax

implications around issues such as Authorities' payment charges or lump sum payments and other such issues.

Decisions Log

11. Due to the imminent retirement of the Deputy Chief Officer a decision was taken to appoint a new Pensions Board Chair; the Board appointed the current Assistant Chief Officer as the new Chair.
12. To ensure all control measures are in place for foreseeable risks, and to coincide with the realignment of the Pensions Board Risk Register, Board members were requested to send their views on the risk register.

Conclusion/Summary

13. 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 (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	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 being created
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