

DEVON & SOMERSET FIRE & RESCUE AUTHORITY

LOCAL PENSIONS BOARD

DATE OF MEETING	18 March 2020
SUBJECT OF REPORT	SCHEME MANAGER UPDATE
REPORT AUTHOR	Head of Human Resources
EXECUTIVE SUMMARY	This report provides a summary of current pension matters both nationally and locally which have required input from the Service. This report should also be considered in conjunction with the regular monthly Bulletins which are issued by the Firefighters' Pensions Advisory Board.
APPENDICES	A. Home Office – Sergeant Case Fact Sheet

1. INTRODUCTION

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

2. PENSION SURVEYS & ANNUAL RETURNS

- 2.1. Since the last meeting of the LPB in October 2019, the Pension Regulator's (tPR) Annual Survey has been completion & submitted having previously been shared with LPB members.

3. PENSION COMMUNICATIONS

Annual Benefit Statements (ABS)

- 3.1. There is a legal requirement to provide an Annual Benefit Statement (ABS) to all active members by no later than the 31 August each year, i.e. those who are in pensionable service with the Devon & Somerset Fire & Rescue Service (the Service). This requirement is set out in the Public Service Pensions Act 2013.
- 3.2. There are no further updates with regard to the 2019 ABS. The production of the data required by West Yorkshire Pension Fund (WYPF) for the 2020 statements is scheduled for May 2020.
- 3.3. The last Scheme Manager's report noted that the production of monthly pension data from the iTrent payroll system was working and that reports covering the missing months from April were being produced. This has been done and DSFRS are fully up to date with any required reporting to WYPF.

WYPF My Pension Portal

- 3.4. WYPF's new online My Pension Portal has been launched. WYPF advise that the site will need further work to add in the Fire calculations, and have not provided an estimated timeframe for this work.

4. PENSION PROJECTS

Transition Protection Judgement

- 4.1. Proposals are yet to be finalised centrally in respect of the transitional protection remedy following the Supreme Court's decision to deny the Government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed judges and firefighters pension schemes in 2015 gave rise to unlawful age discrimination.

- 4.2. On 18 December 2019, the Employment Tribunal made an interim order on remedy. It provided that, 'pending the final determination of all of the remedy issues, those that brought claims in England and Wales are entitled to be treated as if they remained in the Firefighters Pension Scheme (FPS) 1992'. The order anticipated that the final determination on that remedy issue in regard to membership of FPS1992 should be resolved around mid-July 2020. It acknowledged that it may be some time after this that this part of the remedy can be put in effect for all claimants.
- 4.3. Fire and Rescue Authorities (FRAs) were asked to ensure that, when dealing with ill-health retirements, the IQMP were asked to assess the applicant under both the FPS 1992 and FPS 2015 rules. FRAs were also asked to identify all applications for ill-health retirement on the FPS 2015 since 1 April 2015 so they were in a position to take steps once Home Office guidance is available.
- 4.4. FPS Bulletin 28 (issued in January 2020) requested FRAs to take some additional immediate action on retrospective ill-health applications. This involves, initially, gaining additional assessment via the Independent Qualified Medical Practitioner (IQMP). Depending on the category the person falls into for ill-health retirement purposes, there were also some additional requirements for a notional annual allowance test and providing a calculation of the benefits that might be provided under the previous scheme for comparison purposes. This is work in progress.
- 4.5. The Home Office produced in December 2019 a factsheet on the Sergeant case. This is attached at Appendix A and has been added to the Service pension pages.

5. REPORTING BREACHES OF LAW

- 5.1. Within the Board's Reporting Breaches Procedure, Section 70 of the Pensions Act 2004 (the Act) is referenced. This requires that, where a person has reasonable cause to believe that:
- (a) a duty which is relevant to the administration of the scheme in question, and is imposed by virtue of an enactment or rule of law, has not been or is not being complied with; and
 - (b) the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions
- then they must give a written report on the matter to the Regulator as soon as is reasonably practicable.
- 5.2. There have been no breaches reported since the last Local Pension Board meeting. My last report noted reportable breaches in respect of the delay in sending out the Annual Benefit Statements for the modified scheme and also to a matter where there was misapplication of the rules in relation to split pensions.
- 5.3. The Pension Regulator did respond to these reported breaches. With regard to the APR delay, tPR sought further information to assist them in determining whether regulatory intervention was appropriate. Since the breach had been rectified and on the basis of the information provided, tPR confirmed that they did not intend to take any enforcement action at this time, in relation to this breach of law. They did however note that the failure to provide eligible scheme members with an ABS may affect their confidence in the Scheme as well as their ability to plan and make decisions about their retirement. It is also indicative of possible wider governance and administrative failings.

- 5.4. In relation to split pension issue tPR confirmed that they would take no further action based on the information provided since the matter had now been resolved.

6. INTERNAL DISPUTE RESOLUTION

- 6.1. Within the Firefighters' Pension Scheme formal complaints are made via the Internal Disputes Resolution Procedure. There have been no new complaints under this procedure since the last Local Pension Board meeting and the previous live case at Stage 2 which has been heard by Authority Members has been resolved.

- 6.2. Information concerning the Internal Disputes Resolution process is available via the Service web page along with links to the information on the WYPF website.

7. PENSION ADMINISTRATOR QUALITY OF SERVICE

- 7.1. The client service that WYPF provides continues to be to of a reasonable standard and it is recognised that WYPF is working hard to ensure that clients receive the best possible service. One complaint regarding lack of response on KPI reporting was escalated to the contract escalation point at Bradford City Council, upon which it was resolved satisfactorily. Errors in calculation of senior officer pension entitlement have also been noted and this will be considered internally before escalation.

- 7.2. The last report referred to discussions which had been held with WYPF resulting in agreement to feedback on the KPIs agreed under the contract to ensure that:
- (a) all agreed KPIs are reported;
 - (b) it will be made clear where indicators will only be reported by exception (eg rare cases); and
 - (c) consideration is given to the use of performance trend analysis to add further value to the report.

- 7.3. The above was introduced in the February 2020 monthly report and Authority officers will continue to discuss how reporting can be improved.

8. RECRUITMENT OF INDEPENDENT CO-OPTED MEMBER OF THE LPB

- 8.1. Since the last meeting, Satnam Singh Rai has been recruited as an independent Co-opted member of the board.

STEVEN POPE
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