

DEVON & SOMERSET FIRE & RESCUE AUTHORITY

LOCAL PENSIONS BOARD

DATE OF MEETING	9 September 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 Scheme Advisory Board.
APPENDICES	Nil.

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. 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 on the 24 June 2020, the LGA has published a Firefighters' Pension Scheme: draft template FPS Administration, Management, and Governance strategy. The Service will be responding to the consultation in relation to this.

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. As previously reported, the data required by the Pension Scheme Administrator, West Yorkshire Pension Fund (WYPF), for the 2020 ABS was submitted on time during May 2020.
- 3.3. Ahead of the release of ABS statements, the Service has confirmed to staff that these will not reflect the Court of Appeal ruling concerning the Sargeant case and the subsequent impact upon the pension benefits as there was still uncertainty around the final approach to removing discrimination. Pension estimates within the ABS are therefore based on the current scheme regulations.
- 3.4. WYPF has confirmed that all ABS statements will have been issued by the 31 August 2020, which bearing in mind some of the difficulties we have had in previous years is an excellent result.

4. PENSION PROJECTS

Transition Protection Judgement

- 4.1. On 16 July 2020, HM Treasury (HMT) published consultation on proposals to remove age discrimination from the unfunded public service pension schemes in line with the result of the McCloud/Sargeant case. Further details can be found by using the links attached through the LGA July bulletin [number 35](#). The consultation relates to extending the protection arrangements for staff that were in the previous pension scheme on 31st March 2012.
- 4.2. The Home Office issued informal guidance on the 21 August to fire and rescue authorities (in England) on processing 'immediate detriment' cases in advance of a decision on the Government's final approach to removing the age discrimination as found in the McCloud/Sargeant Employment Tribunal litigation. The immediate detriment cases are those staff that were transitioned to the 2015 scheme and become eligible to retire and would like their benefits to be paid from the legacy scheme or do not qualify for an ill-health pension under the 2015 scheme but would under the 1992 scheme.
- 4.3. Unfortunately there was not any prior consultation with the LGA and further clarity is being sought by the LGA. This has left our pension administrator with concerns as to the legal status of the guidance and specific queries in relation to what should be provided within any quotes. Therefore WYPF have taken the decision that they are unable to process any retirement quotations that fall under the remit of this guidance until further clarification is received.

O'Brien vs Ministry of Justice

- 4.4. There are no further updates with regard to this case which relates to part-time workers being eligible to pension service prior to 1st July 2000 when the Part-time Workers regulations came into effect. However, the impact of this case is that previous claimants under the Matthews and others v Kent and Medway Towns Fire Authority would be entitled to further remedy in respect of claimed pre July 2000 service. As yet we do not know the outcome of this case but it will entail further work for the Service and Pension Administrator.

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.

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.
- 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.
- 6.3. It was highlighted previously by the LPB that the IDRP policy should include timescales for communicating decisions and this will be added to the IDRP policy.

7. PENSION ADMINISTRATOR QUALITY OF SERVICE

- 7.1. The Service has an excellent working relationship with WYPF and both sides are continuing to seek to improve the pension arrangements that are in place. The ABS statement production is a good example and this is the first year where there have not been any issues arising. The Service has submitted its information in a timely manner and WYPF has been able to produce the statements to the required deadline.
- 7.2. The Service is developing KPIs so that we can measure our own effectiveness of our pension administration in terms of the provision of information and returns to WYPF.
- 7.3. Trend analysis reports have been produced using the WYPF monthly reports with a view of either retaining these for producing our own trend reporting or for WYPF to incorporate into their reports.

STEVEN POPE
Head of Human Resources