

DEVON & SOMERSET FIRE & RESCUE AUTHORITY

LOCAL PENSIONS BOARD

DATE OF MEETING	23 June 2021
SUBJECT OF REPORT	SCHEME MANAGER UPDATE
REPORT AUTHOR	HR Rewards & Benefits Manager
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.

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 (the Board). 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 Board 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 Board meetings.

2. PENSION SURVEYS & ANNUAL RETURNS

- 2.1. Since the last meeting, the annual IDRPF data return was submitted to the Bluelight Pensions team at the LGA in May 2021.
- 2.2. The LGA has requested completion of a remedy self-assessment survey, which is due by 30 June 2021. The survey aims to gain understanding about arrangements for managing the pension scheme and specifically implementing the age discrimination remedy.
- 2.3. The data required by the Scheme Administrator, WYPF, for the 2021 Annual Benefit Statements was submitted on 13 May 2021. The Service is fully up to date with the pension reporting required monthly by WYPF.

3. PENSION COMMUNICATIONS

- 3.1. Email communication of the Fire Authority decision regarding immediate detriment cases was sent out on 23 April 2021 to eligible staff.
- 3.2. An intranet page has been created to provide updates regarding the pension reform and age discrimination remedy. This was communicated to staff by the comms team on 24 May 2021.

- 3.3. Also on 24 May 2021, communication was issued regarding the launch of the first national website for Firefighters' pension scheme members. This can be found here and is based on the scheme rules currently in place. Future content, including age discrimination remedy updates, will be added. The site is being reviewed for accessibility including stand-alone web pages and other extra information such as lifetime allowance and early retirement factors.
- 3.4. The LGA has advised that 2021 Annual Benefit Statements (ABS) for protected members should not include projections beyond the current scheme year. This will be communicated in the ABS and the LGA acknowledged that, whilst this would be disappointing to members, it is due to the limitations within the software at present.
- 3.5. A communication was issued on 21 April 2021 signposting FPS members to their online pension accounts, where members will be able to view their ABS.
- 3.6. In March 2021, the National Audit Office (NAO) published a report into public service pensions. Whilst it was reported that the introduction of the 2015 scheme helped contain rising costs, it contained five key recommendations on issues the Government should look to address soon, including the impact of age discrimination remedy and how the cost control mechanism works.

4. PENSION PROJECTS

Transition Protection Judgement

- 4.1. At an extraordinary meeting on 20 April 2021, the Authority considered a report on this matter and resolved that:
 1. Any members of staff who are still subject to transitional, tapered, protection from transfer into the FPS 2015 will remain in the FPS 1992 until 1 April 2022; and
 2. Members of staff who qualify as "immediate detriment cases", as defined by the Home Office Guidance of 21 August 2020, will be able to choose to retire on pensions calculated under the FPS 1992 subject to:
 - a. There being no continuing and/or unresolved complexities and uncertainties that mean that it would not be practical and/or appropriate to process such cases in that manner at the time; and
 - b. Those employees agreeing to enter into a settlement agreement with the Authority confirming that they understand that any future changes to the pension arrangements arising from Government policy or actions that apply as a result of the transfer back into the FPS 1992 may result in changes to benefits, taxation and interest charges that may require retrospective adjustment.
- 4.2. As a result of this decision and subsequent communications, the Service has received 9 requests for immediate detriment quotations for retirement before 1 April 2022.

- 4.3. The Service also needs to revisit the agreed approach regarding Voluntary Scheme Pays, to account for Annual Allowance tax charges that may arise if a member elects to take legacy scheme benefits under the remedy option. A paper will be taken to the Authority ordinary meeting on 29 June 2021 recommending some adjustments to our discretions policy to enable this.
- 4.4. The LGA has released a pack of remedy data collection tools. Pre-populated templates for review are expected to be available in the next 4-6 weeks. The current timeline for FRAs to review and confirm the accuracy of the data is by 30 September 2021. The Service has recruited additional resource to support the data collection exercise on a fixed term basis.
- 4.5. There has been no further news yet regarding the legal proceedings set in motion by the FBU in the High Court on 3 March 2021 in order to force Fire and Rescue Authorities (FRAs) to pay retired members under legacy schemes.
- 4.6. Earlier this month the LGA received some updated guidance from the Home Office regarding Immediate Detriment cases, and has scheduled a supplementary meeting to take FRAs through this.
- 4.7. The Scheme Advisory Board (SAB) have written an open letter to HMT around some specific policy items where further clarity is needed following the Government response. There were 3 main areas of focus within this covering:
1. contribution adjustments for 2006 members;
 2. decisions for taper members; and
 3. contingent decisions.

[This letter can be found here.](#)

O'Brien vs Ministry of Justice

- 4.8. There are no updates regarding the Special Members of FPS 2006 - Second options exercise (previously referred to as the Matthews or O'Brien cases).

Fixed-Term Contracts and eligibility to join the FPS

- 4.9. In the last Scheme Manager report it was noted that Steve Pope had attended the Scheme Advisory Board (SAB) meeting on 10 December 2020 to discuss eligibility to join the FPS for those on fixed term contracts, noting that they would not have adequate compensation benefits if they were only entitled to use the LGPS when employed by Services. He requested access to the legal advice that the SAB had commissioned about this. The outcome was that it was confirmed that temporary employments are not pensionable. It was agreed that the legal advice would be put into a note which confirms the position so that FRA's could use this to get individual advice on this matter. The SAB has been asked to provide comments on the draft factsheet by email, ahead of the next meeting on 24 June 2021.

Ill Health Injury Pension and state benefits

- 4.10. WYPF regularly reviews the interaction between state benefits and pension payments for those who have retired due to ill health, and a piece of work is currently underway regarding the treatment of Retirement Allowance benefits for a number of people who retired with an ill health injury on duty.

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 (IDRP). There have been no new complaints under this procedure since the last Local Pension Board meeting.

7. PENSION ADMINISTRATOR QUALITY OF SERVICE

- 7.1. The Service continues to have an excellent working relationship with WYPF and both sides are continuing to seek to improve the arrangements that are in place.

8. BOARD MEMBERSHIP

- 8.1. Peter Redbourn's term as a Scheme Member representative on the Board expires at the end of June 2021. The Board would like to express its thanks to Peter for his valuable contribution over the last 4 years.
- 8.2. Philip Gillbard, who is a Crew Manager at Middlemoor and retained Watch Commander at Tiverton and has been with DSFRS since 1991, will be a new Scheme Member representative from 1 July 2021.

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