

**DEVON & SOMERSET FIRE & RESCUE AUTHORITY**

**LOCAL PENSIONS BOARD**

<b>DATE OF MEETING</b>	<b>07 December 2022</b>
<b>SUBJECT OF REPORT</b>	<b>SCHEME MANAGER UPDATE</b>
<b>REPORT AUTHOR</b>	<b>HR Rewards &amp; Benefits Manager</b>
<b>EXECUTIVE SUMMARY</b>	<p>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.</p>

## 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 connected with them, is delegated to the HR Rewards & Benefits Manager.
- 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. **GOVERNANCE & STRATEGY**

### ***FPS Administration, Management and Governance Strategy***

- 2.1. Further to the last Board meeting, the governance strategy document has now been finalised for publication on the Pensions section of the Service website and sign off within the Service's Policy Management System is currently underway.

## 3. **PENSION PROJECTS**

### ***2015 Remedy (Sargeant)***

- 3.1. The Service position on immediate detriment has not changed since the last Board meeting. Consideration is currently being given to suitable communication for retired colleagues, given that all announcements on this matter to date have been internal and will not have reached those who fall into 'Category Two' under the Immediate Detriment Framework.

### ***Matthews – Second Options Exercise***

- 3.2. Since the last Board meeting, the LGA has now added a section to the FPS members website specifically in relation to Special Members of the 2006 Scheme. This content provides FPS members with an overview of the Court ruling, an outline of which members are eligible and an expected timeframe for the second options exercise. The page reiterates that the government is currently drafting the scheme rules required to bring in the second options exercise in England, prior to consultation and implementation of the relevant legislation, which is expected to be in place by 1 October 2023.

- 3.3. Following this, FRAs will be expected to start the second options exercise and contact eligible members. The exercise will run for a maximum period of 18 months (October 2023 to March 2025).

#### **4. REPORTING BREACHES OF LAW**

- 4.1. 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.
- 4.2. Since the last Local Pension Board meeting, 2 potential breaches have been reviewed and, based on an amber rating, it is recommended that they are both recorded and reported to the Pensions Regulator. Details of these breaches are set out in the Breaches Register attached as Appendix A to this report.

#### **5. INTERNAL DISPUTE RESOLUTION**

- 5.1. Within the Firefighters' Pension Scheme formal complaints are made via the Internal Disputes Resolution Procedure (IDRP). Since the last Local Pension Board meeting, two complaints have been received under this procedure. Both have been heard at Stage 1 of the procedure, where the finding was the complaints were not upheld. Both have then progressed to Stage 2 of the procedure. The first complaint had its Stage 2 hearing on 6 October, where the Stage 1 finding was upheld. The second complaint is due to have its Stage 2 hearing on 2 December, the outcome will be reported at the LPB meeting.

#### **6. PENSION ADMINISTRATOR QUALITY OF SERVICE**

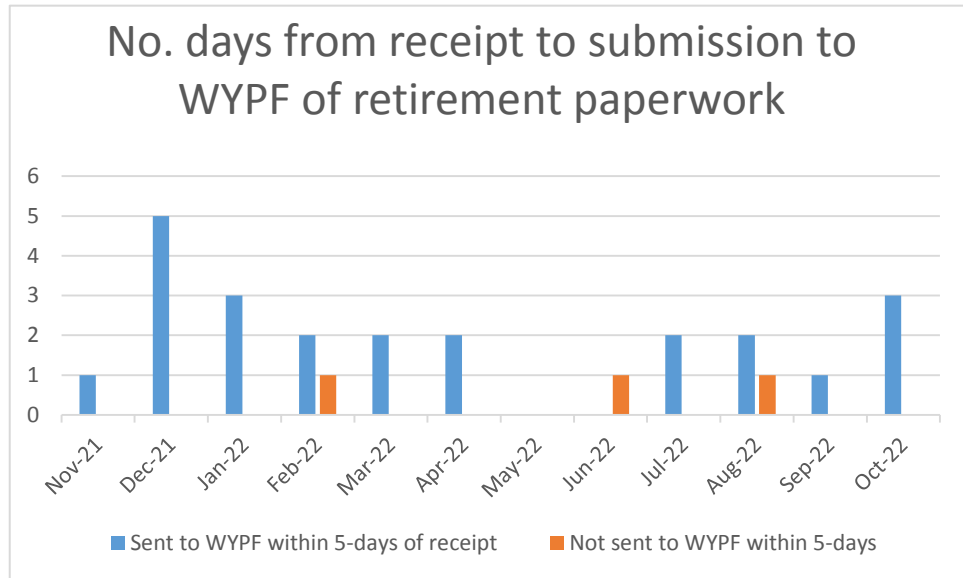
- 5.1. The Service is continuing to collaborate with West Yorkshire Pension Fund (WYPF) and to periodically review the arrangements that are in place to identify potential improvements. It has been noted that there is not a clear alignment between the KPIs listed in our contract and the monthly reports issued by WYPF. This matter has been discussed with key stakeholders at WYPF, alongside other concerns regarding the time that it has taken to update member records in the earlier part of 2022. It is understood that there are now measures being put in place to address these resourcing and administration issues and we will continue to monitor progress going forward. Data submissions to WYPF are summarised overleaf.

**(a) Submission of monthly pension reporting to WYPF by the last day of the month:**

5.2. For 10 out of the last 12 months, we have achieved this KPI, as detailed below.

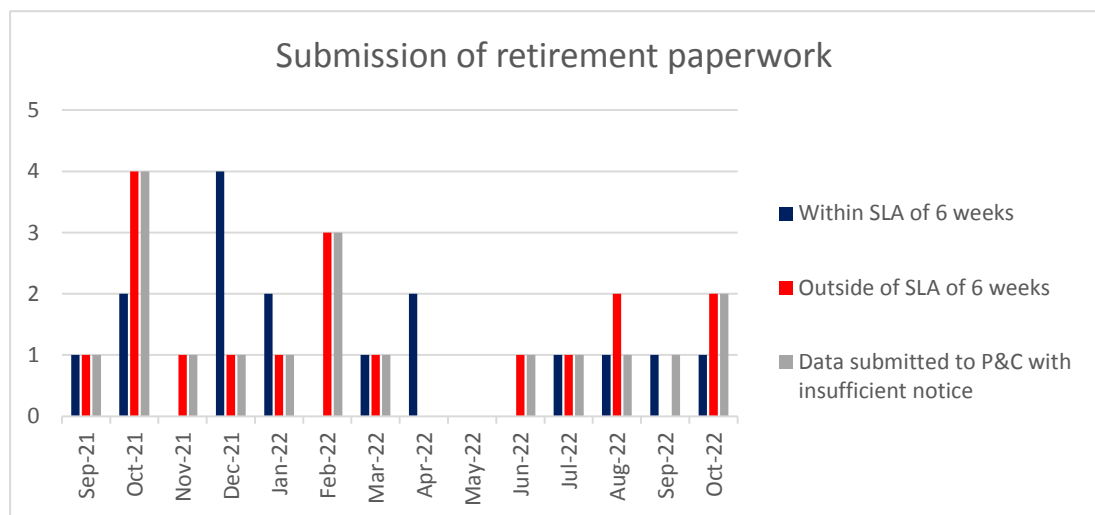
Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
22-Dec-21	24-Jan-22	01-Mar-22	07-Mar-22	29-Apr-22	15-Jun-22	15-Jun-22	20-Jul-22	16-Aug-22	01-Sep-22	26-Oct-22	23-Nov-22

**(b) Notifications of normal retirement and timeframes for submission**



*May is not listed because there were no FPS retirements to record*

5.3. Since the last report, there have been a total of 4 retirements, 2 of which were not submitted within the 6-week timeframe (prior to retirement date).



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## **PENSIONS DASHBOARD PROGRAMME**

- 7.1. The Pensions Dashboard Programme is a government initiative to allow pension scheme members in Great Britain to view all their pension entitlements online in one place. There is a legislative requirement for fire schemes (along with all other public sector schemes) to connect to the dashboard by 30 September 2024, with a further requirement to be able to provide information about benefits (value data) by 1 April 2025 at the latest.
- 7.2. Scheme managers are ultimately responsible under the regulations for ensuring that dashboard duties are met. In the coming months the Service will be liaising with WYPF to discuss plans for connecting to the dashboard, as well as reviewing our current internal resourcing to meet these requirements.
- 7.3. More information regarding this programme can be found at [UK Pensions Dashboards Programme | Homepage](#)

**ZOE SMYTH**  
**HR Rewards & Benefits Manager**

**APPENDIX A TO SCHEME MANAGER UPDATE**

**REGISTER OF BREACHES**

<b>Date</b>	<b>Category</b>	<b>Description and cause of breach</b>	<b>Possible effect of breach and wider implications</b>	<b>Reaction of relevant parties to breach</b>	<b>Delegated Scheme Manager recommendation</b>
Nov-22	Admin	ABS/DBS Production - RDS modified	Failure to send statements to all Scheme Members by the scheme administrator was a technical breach of the regulatory requirements. It is that no individual has suffered a financial or material detriment as a result of the breach.	The Pensions Officer for the Service sought clarification from the LGA and raised the concern with the Scheme administrator on 07 Sept 22. To date this has not been remedied.	For deferred 2015 members and previous FY 2006 members - reportable as deadline for production was 31 Aug each year. Deferred 2006 members - record but not report, as deadline for production is 01 April.
Nov-22	Administration	Ill health retirement and injury disablement benefit calculations (inc. Retirement Allowance)	Incorrect calculations affected 71 members, dating back to 2010 (change of scheme administrator in 2018). Of those, there have been significant underpayment of benefits identified for c.20 members. Scheme administrator conducted a benefits	The delegated scheme manager has worked extensively with the scheme administrator to better understand the quantum and reasoning of the payments, seeking legal advice and arranging regular	Potentially reportable due to the problem extending back in time more than several years, affecting multiple members and the administrator not having adequate resourcing to resolve the problem sooner.

			<p>review during 19/20 FY and then notified the FRA in Jan 2021 of the 71 potential cases identified as possible under/over payments. Due to the length of time the review has taken, several members have died during the process, resulting in underpayments payable to the estate, and probate required. Investigative work is still ongoing by the scheme administrator.</p>	<p>updates on the individual calculations to ensure that any underpayments are clearly identified and paid to the member as soon as possible. The Scheme Administrator was asked for clarification on the delays between the initial benefits review and correcting the payments - they responded that this was mainly due to resourcing and the pandemic.</p>	
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