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**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

NOTICE OF MEETING

| | | |
|----------------------|--|--|
| <i>Meeting</i> | HIWFRA Firefighters' Pension Board | <i>Clerk to the Hampshire & Isle of Wight Fire and Rescue Authority</i> CFO Neil Odin |
| <i>Date and Time</i> | Thursday 12th October, 2023 10.00 am | <i>Fire & Police HQ</i> <i>Leigh Road,</i> <i>Eastleigh</i> <i>Hampshire</i> <i>SO50 9SJ</i> |
| <i>Place</i> | Meeting Room X, Fire and Police HQ, Eastleigh | |
| <i>Enquiries to</i> | <u>members.services@hants.gov.uk</u> | |

The Openness of Local Government Bodies Regulations are in force, giving a legal right to members of the public to record (film, photograph and audio-record) and report on proceedings at meetings of the Authority, and its committees and/or its sub-committees. The Authority has a protocol on filming, photographing and audio-recording, and reporting at public meetings of the Authority which is available on our website. At the start of the meeting the Chairman will make an announcement that the meeting may be recorded and reported. Anyone who remains at the meeting after the Chairman's announcement will be deemed to have consented to the broadcast of their image and anything they say.

Agenda

1 **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

2 **DECLARATIONS OF INTEREST**

To enable Members to disclose to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in the Authority's register of interests, and any other pecuniary or non-pecuniary interests in any such matter that Members may wish to disclose.

3 **MINUTES OF PREVIOUS MEETING** (Pages 3 - 6)

To confirm the minutes of the previous meeting.

4 DEPUTATIONS

Pursuant to Standing Order 19, to receive any deputations to this meeting

5 CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

6 LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT (Pages 7 - 50)

To receive an LGA update from the Chief Financial Officer.

7 FIRE PENSION BOARD STATUS REPORT & RISK REGISTER REVIEW (Pages 51 - 58)

To receive the status report and risk register review from the Chief Financial Officer.

8 PENSIONS COMMUNICATION PLAN

To receive an update on the Pensions Communication Plan.

9 SUCCESSION PLAN & BOARD DIVERSITY REPORT (Pages 59 - 62)

To consider a report that provides an overview on succession and board diversity planning.

ABOUT THIS AGENDA:

This agenda is available through the Hampshire & Isle of Wight Fire and Rescue Service website (www.hantsfire.gov.uk) and can be provided, on request, in alternative versions (such as large print, Braille or audio) and in alternative languages.

Agenda Item 3

AT A MEETING of the HIWFRA Firefighters' Pension Board held at Fire & Police HQ, Eastleigh on Wednesday 5th July, 2023

Chairman: * Stew Adamson
Vice Chairman: * Richard Scarth

| | |
|------------------------|----------------|
| Councillor Roger Price | Ross Singleton |
| * Sean Harrison | Dan Tasker |
| Mark Hilton | |
| Richard North | |

* Present

73. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Roger Price, Mark Hilton, Richard North and Dan Tasker.

74. ELECTION OF CHAIRMAN

The Clerk called for nominations for a Chairman, noting the requirements of the Firefighters' Pension Board Terms of Reference. Stew Adamson was nominated, seconded and in the absence of any further nominations duly appointed Chairman of the HIWFRA Firefighters' Pension Board until the first meeting of the Board following the annual meeting of the Fire Authority in 2024.

75. ELECTION OF VICE-CHAIRMAN

The Chairman called for nominations for a Vice-Chairman, noting the requirements of the Firefighters' Pension Board Terms of Reference. Richard Scarth was nominated, seconded and in the absence of any further nominations duly appointed Vice-Chairman of the HIWFRA Firefighters' Pension Board until the first meeting of the Board following the annual meeting of the Fire Authority in 2024.

76. DECLARATIONS OF INTEREST

Members were mindful of their duty to disclose at the meeting any Disclosable Pecuniary Interest they had in any matter on the agenda for the meeting, where that interest was not already in the Authority's register of interests, and their ability to disclose any other personal interests in any such matter that they might have wished to disclose.

77. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed.

78. **DEPUTATIONS**

There were no deputations.

79. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no formal announcements to make.

80. **SCHEME ADVISORY BOARD**

There were no updates for the meeting.

81. **HAMPSHIRE PENSION SERVICES ANNUAL ADMINISTRATION REPORT**

The Board received the Annual Administration report (item 9 in the minute book), which was summarised by the officer and would be reported back to the Standards and Governance Committee.

Members of the board were happy with the report and the good working relationship with Shared Services around the risk register. It was agreed that future reports going forward would compare membership to previous years for awareness.

RESOLVED

The Hampshire Pension Services Annual Administration Report was noted by the Board

82. **LEGISLATION AND LOCAL GOVERNMENT (LGA) UPDATE REPORT**

The Board received a report from the Chief Financial Officer (item 10 in the minute book), which provided a Local Government Association update.

The officer summarised the report, highlighting changes in the commutation factors since the remedy period on page 48 of the pack. Paragraph 5 of the report was also highlighted, which stated that although the Life Time Allowance (LTA) had been removed, the maximum amount of tax free lump sum that a member could have was still restricted, but any taxable excess was now taxed at the members marginal rate rather than 55%.

The Board was happy with the report.

RESOLVED

The content of the report was noted by the HIWFRA Firefighters' Pension Board.

83. FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW

The Board received a report from the Chief Financial Officer (item 11 in the minute book), which provided an update on the development of key items.

After a summary the report, the following questions were answered:

- The Annual Allowance and Lifetime Allowance sessions hadn't been as well attended as hoped, and this was likely down to the national changes not affecting as people as anticipated.
- It was important that information was given to employees without it being advice, and all employees were encouraged to seek independent financial advice.
- A tool was in development that could calculate the service that can be purchased, showing the amount of contributions, less tax relief, plus interest that would be due. This was continuing to be tested over the next few months.

RESOLVED

a) The content of the report was noted by the HIWFRA Firefighters' Pension Board

b) The risk register as set out in paragraphs 9-11 and Appendix A was approved by the HIWFRA Firefighters' Pension Board

84. PENSIONS COMMUNICATION PLAN

The Board received an update on the Pensions Communication Plan.

It was confirmed that information on Matthews / O'Brien case had been circulated to members, along with potential impacts and attempts had been made to get in touch with ex-members.

Communications would continue to be improved and an update would return to the next meeting.

85. EXCLUSION OF PRESS AND PUBLIC

It was resolved that the public be excluded from the meeting during the following item of business, as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item there would be disclosure to them of exempt information within Paragraphs 3 and 7 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the report.

86. **HAMPSHIRE PENSION SERVICES ANNUAL ADMINISTRATION REPORT - EXEMPT APPENDIX**

The exempt appendix was summarised and Members of the Board were pleased to hear of the successes with testing.

Chairman,



**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

Purpose: Noted

Date: **12 OCTOBER 2023**

Title: **LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA)
UPDATE REPORT**

Report of Chief Financial Officer

SUMMARY

1. This report, together with attachments, provides the framework for this agenda item.

FPS BULLETINS

2. LGA issue a bulletin at the end of each month; there have been three bulletins issued since the last Fire Pension Board reports were written. The bulletins are emailed out to a variety of contacts but can also be accessed via the www.fpsregs.org website.
3. Bulletins 70 and 71 can be found in APPENDICES A and B. There is a lot of information contained within these bulletins; the key items are set out below.

COLLECTION OF FPS FORECASTS (BULLETIN 70)

4. The bulletin highlighted the annual requirement to provide forecasts of FPS income and expenditure and stressed the need for a robust mechanism for doing this. Forecasts were returned in advance of the deadline of 25 August in line with our standard methodology which has previously been cited as best practice by the Home Office.
5. These forecasts are important to ensure the timely receipt of the Firefighters Pension Grant in July each year.

SELF ASSESSMENT ON PREPAREDNESS FOR REMEDY (BULLETIN 70)

6. The bulletin contained a self-assessment tool covering preparedness for the McCloud pensions remedy. This was discussed at the McCloud remedy working group and the service continues to be in a good place, albeit affected by some national delays to software.

APPEAL ON COST CAP MECHANISM JUDGEMENT (BULLETIN 70)

7. In March 2023 the high court heard a case surrounding the inclusion of the impact of the McCloud / Sargeant pension remedies in the cost cap calculations. The high court found in favour of the government, judging that the impacts of the remedies could be included.
8. Unions have been granted the right to appeal this decision.

PENSIONS DASHBOARDS (BULLETIN 70)

9. In June 2023 a Ministerial Statement and subsequent draft regulations removed the phased timeline for the implementation of pensions dashboards and replaced this with a single deadline of October 2026. This means a later legal date for the introduction of pensions dashboards for HIWFRS.
10. However, guidance will follow on the staged implementation for individual schemes and FRAs must have regard to this guidance. The Pension Regulator also encouraged pension schemes to continue preparing their data for the introduction of pension dashboards. Hampshire Pension Services are continuing to work to an earlier deadline.

PENSION SCHEME REVALUATION ADJUSTMENT (BULLETIN 71)

11. It has been noticed by the Treasury during quality assurance work that an error was made on the Revaluation Order for 2021 and 2022. The Average Weekly Earnings figure used in calculations was taken from November rather than December. This means that the CARE revaluation for 2021 and 2022 will need to be revisited.
12. This is likely to affect leavers, transfers out and active members. We are waiting for further guidance on the next steps to address this error.

GOVERNMENT'S RESPONSE TO THE McCLOUD / SARGEANT CONSULTATION (BULLETIN 71)

13. The Government's response to the consultation was published, including the regulations to allow administrators to make payments in respect of these

remedies. Importantly, the regulations now provide more guidance on the treatment of interest and tax, to allow payments to be made under remedy. This was one of the significant issues that prevented immediate detriment payments being made.

PENSION SCAMS (BULLETIN 71)

14. Regrettably, some scams relating to remedy have now emerged, selling help in accessing remedy benefits. Board members are asked to be vigilant to any incorrect information that members may receive. Pension Services' webpages have been updated to highlight these issues.

CONSULTATION: ABOLISHING THE LIFETIME ALLOWANCE (BULLETIN 71)

15. HMRC launched a consultation on the abolition of the lifetime allowance. Pension Services are reviewing the consultation and considering whether a response is necessary. The lifetime allowance affects a relatively small cohort of members of the FPS.

FPS AGM (BULLETIN 71)

16. The FPS AGM was held at LGA offices in London on 19 and 20 September 2023. The event was attended by colleagues from Pension Services, HR and members of the Pension Board.

RECOMMENDATION

17. That the content of the report be noted by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

18. APPENDIX A - [FPS Bulletin 70](#) (June 2023)
19. APPENDIX B - [FPS Bulletin 71](#) (July 2023)

Contact:

Catherine Edgecombe, Chief Financial Officer, 0370 779 6214,
catherine.edgecombe@hants.gov.uk

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FPS Bulletin 70 – June 2023

Welcome to issue 70 of the Firefighters’ Pensions Schemes bulletin.

If you are looking for information on a certain topic, issue and content indexes are held on the [main bulletin page](#) of the website and are updated following each new issue.

If you have any comments on this bulletin, suggested items for future issues, or a job you would like to advertise, please email bluelightpensions@local.gov.uk.

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Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters’ Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please email bluelightpensions@local.gov.uk.

Table 1: Calendar of events

| Event | Date |
|------------------------------------|-------------------|
| FPS coffee morning | 11 July 2023 |
| FPS Communications Working Group | 27 July 2023 |
| SAB | 14 September 2023 |

| Event | Date |
|-----------------------------|----------------------|
| FPS Technical Working Group | 19 September 2023 |
| Fire AGM-save the date | 19-20 September 2023 |
| SAB | 14 December 2023 |

Actions arising

[Consultation on the retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme \(England\) 2006](#): FRAs and administrators to familiarise themselves with the LGA's response, for information ahead of the Home Office's response to the consultation.

[Consultation on The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) \(No.2\) Regulations 2023](#): FRAs and administrators to familiarise themselves with the LGA's response, for information ahead of the HMRC's response to the consultation.

[Data Collection for 2015 remedy](#): FRAs to ensure that the data collection template is completed and sent to administrators by their set deadlines, so that they are prepared for the implementation of remedy from 1 October 2023.

[Firefighters Pay Scales](#): FRAs to make themselves familiar with the pay scales available ahead of the Special members FPS 2006 (Matthews) remedy exercise to commence in October 2023.

[Home Office collection of FPS forecasts for 2023-24 to 2028-29](#): FRAs should start preparing to collate the necessary information (which is similar to that provided last year) from your records so that FRAs are well prepared, bearing in mind that some staff will be on summer leave.

[Consultation on the retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme \(England\) 2006](#): FRAs and administrators to familiarise themselves with the SAB's response, for information ahead of the Home Office's response to the consultation.

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[Consultation on The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) \(No.2\) Regulations 2023](#): FRAs and administrators to familiarise themselves with the SAB's response, for information ahead of the HMRC's response to the consultation.

[Added Years Factsheet](#): FRAs and Administrators to ensure they are using the updated version on their websites.

[Government Actuary's Department \(GAD\): Data Projects and Long-Term Strategy](#): FRAs are advised to read GAD's write up of the event and their broader focus on data

[Remedy readiness self-assessment tool](#): Scheme managers to complete the self-assessment tool and report back to their senior teams and local pensions boards.

[Data Conference Q and As](#): Pension Dashboards: FRAs and administrators may wish to review the Q and As for information.

[Remedy member examples by GAD](#): FRAs and administrators should read these with reference to slide 15 from the coffee morning of 26 January 2023.

FPS

[Consultation on the retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme \(England\) 2006](#)

In [FPS Bulletin 68 – April 2023](#) we informed you that the above consultation had been launched. The LGA has responded to the consultation and our response is available on the [Consultations section](#) of the Firefighters' Pension Schemes Regulations and Guidance website.

ACTION: FRAs and administrators to familiarise themselves with the response, for information ahead of the Home Office's response to the consultation.

[Consultation on The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) \(No.2\) Regulations 2023](#)

In [FPS Bulletin 69 – May 2023](#) we informed you that the above consultation had been launched. The LGA has responded to the consultation and our response is available on the [Consultations section](#) of the Firefighters' Pension Schemes Regulations and Guidance website.

ACTION: FRAs and administrators to familiarise themselves with the response, for information ahead of HMRC's response to the consultation.

[Data Collection for 2015 remedy](#)

In [FPS Bulletin 44 – April 2021](#) and [FPS Bulletin 66 – February 2023](#) we advised that remedy data collection tools had been developed with the assistance of software suppliers and the Fire Communications Working Group to help FRAs to collect the relevant data needed to prepare for the 2015 remedy exercise.

In [FPS Bulletin 69 – May 2023](#) we covered the Fire and Police data conference event and the workshop feedback coffee morning, which both raised concerns by administrators and software suppliers that not all FRAs had been in a position to provide the relevant data.

There are no assumptions made for missing data within the Police and Firefighters' Pension Schemes (Amendment) Regulations 2023 and FRAs should be near completion of the collection of this data. It is imperative that for administrators to be able to commence the remedy options exercise in October 2023, that they receive this data in good time.

The data collection template and notes are as follows:

[FPS remedy data collection template](#)

[FPS remedy data collection notes for completion](#)

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 2 clean](#)

[Click here to return to Contents](#)

ACTION: FRAs to ensure that the data collection template is completed and sent to administrators by their set deadlines, so that they are prepared for the implementation of remedy from 1 October 2023.

Firefighter Pay Scales

With the help of LGA Workforce colleagues and the Fire Brigade Union, we have been able to locate pay scales going back to 1962. These have been added to [Firefighter Pay Scales](#) page on the member restricted area on the Firefighters' Regulations and Guidance website.

ACTION: FRAs to make themselves familiar with the pay scales available ahead of the Special members FPS 2006 (Matthews) remedy exercise to commence in October 2023.

Home Office collection of FPS forecasts for 2023-24 to 2028-29

On 21 June 2023, the Home Office emailed all FRAs in England to give notice that they will shortly be writing to formally request submission of pension income/expenditure forecasts for the period 2023-24 to 2028-29 via the online DELTA system.

The deadline for submissions is **Friday 25 August 2023**.

The Home Office will set out the centrally prescribed assumptions that FRAs should apply when calculating their forecasts; and what other considerations they will need to factor in.

FRAs are reminded that forecast pension accounting data is being subjected to an ever-increasing scrutiny and, as such, they should ensure that processes are in place to ensure that they have a robust methodology to calculate these. [Best practice forecasting guidance](#) was published by the Pension Forecasting Working Group in July 2019.

ACTION: FRAs should start preparing for collating the necessary information (which is similar to that provided last year) from their records so that they are well prepared, bearing in mind that some staff will be on summer leave.

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Added Years Factsheet

In [FPS Bulletin 67 – March 2023](#) we confirmed that all relevant thresholds and rate changes for 2023 were available in the [FPS annual update 2023](#).

We have updated the Added Years Factsheet to include the rate for 2023. You can find this on the [factsheet page](#) of the Firefighters Pensions Regulations and Guidance website.

ACTION: FRAs and Administrators to ensure they are using the updated version on their websites.

Government Actuary's Department (GAD): Data Projects and Long-Term Strategy

In [FPS Bulletin 69 – May 2023](#) we provided an overview of the Fire and Police Data Conference which took place on 17 May 2023.

We reflected on the importance of data for setting long term strategy about the management of pensions and ultimately supporting FRAs. GAD have now published [a news feature](#) reflecting on the event as well as covering a broader focus on data generally.

In the article GAD refers to a blog they have written about Pensions Dashboards, where they compared the matching process to a game of Guess Who. They then referenced pensions administration projects to another board game that I am sure we are all aware of where they urge the bankers (scheme managers) to invest time in the game to prioritise the experience of the players (the members) and provide an exceptional service.

ACTION: FRAs are advised to read GAD's write up of the event and their broader focus on data.

Remedy readiness self-assessment tool

To help scheme managers and pension boards reflect on their own readiness for remedy we have made available (with the help from our NPCC colleagues) a [remedy self-assessment tool](#) which can be found on the Retrospective Remedy page of the

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FPS Regulations and Guidance website. This tool is designed to assist you in assessing whether you have the necessary preparation in place for remedy and whether there are any potential gaps which need addressing.

This is purely for your own use to inform you and your senior team of your readiness for remedy. There is no requirement to return the results of this self-assessment tool to the LGA.

If, after completing the survey, you wish to seek advice or further reassurance, please contact bluelightpensions@local.gov.uk in the first instance.

ACTION: Scheme managers to complete the self-assessment tool and report back to their senior teams and local pensions boards on the results.

Data Conference Q&As – Pensions Dashboards

As mentioned above we provided an overview of the Police and Fire Data Conference event which took place on 17 May 2023 in last month's bulletin.

We have since sought answers to the outstanding questions that were asked on Pensions Dashboards and have put together a Q&A document and you can view this on the [Data conference page](#) on the Firefighters' Regulations and Guidance website.

ACTION: FRAs and administrators may wish to review the Q and As for information.

Remedy member examples by GAD

In [FPS Bulletin 65 – January 2023](#) we covered our Coffee Morning of [26 January 2023 – HMT Remedy Directions](#). Additional resource on interest and member contributions has been created by GAD and has been added to the [Retrospective Remedy page](#) of the Firefighters Pension Regulations and guidance website.

ACTION: FRAs and administrators should read these with reference to slide 15 from the coffee morning of 26 January 2023:

Technical query log

The [current log of queries and responses](#) can be accessed by practitioners in the member-restricted area of the FPS Regulations and Guidance website. The queries

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have been anonymised and divided into topics. The log is updated monthly in line with the bulletin release dates.

Queries have been answered this month in the following categories:

- Injury Pension – whether Personal Independence Payment (PIP), which has replaced Disability Living Allowance should be deducted from an Injury Allowance. Page 56.
- Ill Health retirement review – when to cease paying a higher tier benefit. Page 106.

FPS England SAB updates

SAB meeting 8 June 2023

The Scheme Advisory Board (SAB) last met on 8 June 2023 and the meeting covered the following areas:

- First Actuarial SCAPE discount rate update
- Home Office retrospective remedy consultation
- Home Office Matthews second options exercise consultation

You can use the links below to find out about the latest updates on the work of the SAB and its committees:

- [SAB membership](#)
- [SAB meeting and agenda papers](#)
- [Committee meetings and agenda papers](#)

SAB response to the Consultation on retained Firefighters' Pensions:

Proposed changes to the Firefighters' Pension Scheme (England) 2006

In [FPS Bulletin 68 – April 2023](#) we informed you that the above consultation had been launched. The Scheme Advisory Board has responded to the consultation and the response is available on the [Consultations section](#) of the Firefighters' Pensions SAB (England) website.

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ACTION: FRAs and administrators to familiarise themselves with the response, for information ahead of the Home Office’s response to the consultation.

[SAB response to HMRC Consultation on The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) \(No.2\) Regulations 2023.](#)

In [FPS Bulletin 69 – May 2023](#) we informed you that the above consultation had been launched. The Scheme Advisory Board has responded to the consultation and the response is available on the [Consultations section](#) of the Firefighters’ Pensions SAB (England) website.

ACTION: FRAs and administrators to familiarise themselves with the response, for information ahead of HMRC’s response to the consultation.

Other News and Updates

[McCloud – unions granted right to appeal cost cap mechanism](#)

The Court of Appeal has granted unions permission to appeal against the recent High Court judgement over the government’s proposed method of paying for costs incurred by the McCloud ruling in public sector schemes. See [FPS Bulletin 67 – March 2023](#) for more information.

[Pensions Dashboard Programme](#)

On 8 June 2023, a [Ministerial Statement](#) was made to announce that as part of the reset of the Pensions Dashboard Programme, amending legislation will be laid to amend the Pensions Dashboard Regulations 2022.

On 9 June 2023 the Department for Work and Pensions (DWP) laid draft [Pensions Dashboards \(Amendment\) Regulations 2023](#).

The amending regulations remove the phased staging timeline, replacing it with a single connection deadline of 31 October 2026. The regulations will allow the DWP and the Money and Pensions Service (MaPS) to issue guidance setting out a staged connection timeline for individual schemes, to which FRAs must have regard. MaPS aim to collaborate with industry on the guidance later this year.

The Pension Regulator's (TPR) dashboard blog

On 14 June 2023, TPR published [a blog 'Make time to get your data dashboard-ready'](#).

The blog encourages pension schemes to continue working on their data to ensure that it is ready for dashboards. It also sets out what schemes should be considering when doing so.

TPR's response to the delay in the dashboard deadline

Further to the [written ministerial statement](#) on 8 June 2023, giving an update on the dashboard deadline, TPR has amended [its dashboard guidance](#).

TPR expects pension schemes to continue to prepare for dashboards. FRAs should continue engaging with the parties who will support them with their dashboard duties, such as their third-party administrator (if appropriate), software provider, and any other party deemed appropriate, to:

- assess the potential impact of these changes on their scheme and to agree a practical delivery plan
- continue activity on getting to grips with members' data, and
- avoid competing demands on capacity and other resources.

These expectations are reinforced in [TPR's new dashboards content toolkit](#) published on 14 June 2023. The toolkit contains key messages for pension schemes.

Dashboards Values Guidance

The Pensions Administration Association (PASA) has published [guidance](#) designed to provide trustees, managers, sponsors, administrators and providers with “good practice” approaches to providing value data to pensions dashboards.

The guidance is intended for use by both DC and DB schemes and covers 20 topics including possible approaches for dealing with issues such as late retirements, underpins, partial retirements and split normal retirement ages.

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TPO expands network of volunteers

The Pensions Ombudsman ([TPO](#)) is [expanding its network of volunteer advisers](#). It currently has a network of around 200 pension professionals, who in 2022 helped to close 1,390 cases.

If you are interested you can [apply to be a volunteer](#), or email TPO's Network Manager Paul Day at paul.day@pensions-ombudsman.org.uk

Voluntary NI contributions deadline extended

In [a written ministerial statement](#) published on 12 June 2023, the Government announced it was extending the deadline to pay voluntary National Insurance (NI) contributions from 31 July 2023 to 5 April 2025. This applies for tax years 2006/07 to 2017/18.

Paying voluntary NI contributions enables individuals to fill gaps in their NI record to boost their State Pension.

HMRC

Pension Schemes Newsletter 150

On 31 May 2023, [HMRC published pension schemes newsletter 150](#). The newsletter contains articles on relief at source and the Managing Pension Schemes service.

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing regularly. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

We are pleased to include the presentations from recent sessions below:

[Matthews FRA Calculator](#)

If you do not already receive the meeting invitations and would like to join us, please

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email bluelightpensions@local.gov.uk. Please note that attendance at the coffee mornings is generally restricted to FPS practitioners and managers.

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [FPS Member](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)
- [Scottish Public Pensions Agency - Firefighters](#)
- [Welsh Government Fire circulars](#)

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FPS Bulletin 71 – July 2023

Welcome to issue 71 of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, issue and content indexes are held on the [main bulletin page](#) of the website and are updated following each new issue.

If you have any comments on this bulletin, suggested items for future issues, or a job you would like to advertise, please email bluelightpensions@local.gov.uk.

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Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters’ Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please email bluelightpensions@local.gov.uk.

Table 1: Calendar of events

| Event | Date |
|---|-------------------|
| FPS coffee morning | 3 August 2023 |
| Southwest and Wales Fire Pensions Officer Group | 15 August 2023 |
| Northwest Fire Pensions Officer Group | 13 September 2023 |
| SAB | 14 September 2023 |
| Firefighters' Annual Conference Day one | 19 September 2023 |
| FPS Technical Working Group | 19 September 2023 |
| Firefighters' Annual Conference Day two | 20 September 2023 |
| Northeast Fire Pensions Officer Group | 4 October 2023 |
| SAB | 14 December 2023 |

Actions arising

[Home Office collection of FPS forecasts for 2023-24 to 2028-29](#): FRAs should ensure that they are using the correct CPI rates in their forecasts and ensure that they meet the submission deadline.

FRAs should also look out for the Home Office's follow up email, if you are affected and engage with them accordingly, to ensure the data submitted is accurate.

[Age discrimination remedy – retrospective remedy](#): FRAs and administrators to read the response and ensure that they are working to be ready for the regulations' implementation on 1 October 2023.

[Age discrimination remedy – Contributions Calculator inputs](#): FRAs and administrators may wish to familiarise themselves with the draft inputs, so that they can ensure they are holding all the relevant data.

[Age discrimination remedy - Interest and Tax](#): FRAs and administrators should note

this position, to ensure that they act accordingly when carrying out remedy.

[Age discrimination remedy – Pension scams](#): Administrators and/or FRAs to add the suggested wording to the pension webpages.

[Age discrimination remedy – warm up letters](#): FRAs/administrators should use these to communicate with their members ahead of October 2023.

[Age discrimination remedy – Ill-Health re-assessment member outcome letters](#): Once the IQMP has provided their determination and FRAs have considered this and agree with the outcome, FRAs should send these using the relevant member outcome letter.

[Firefighters' Pension Scheme Adjustment in Respect of 2021 and 2022 Revaluation](#): FRAs and administrators to make themselves aware of this issue and start scoping the work involved.

[Government Actuary Department \(GAD\) – updated factors](#): FRAs and administrators to ensure that they are using the revised factors from the relevant implementation dates.

[Member benefit illustrations – FPS Northern Ireland](#): FRAs and administrators to make their members aware of the benefit illustrators, where applicable.

[Pension entitlements for retained Firefighters 2023 – FPS Wales](#): FRAs and administrators to review the consultation and respond accordingly.

[The Pensions Regulator Survey](#): We would encourage you to respond to the survey should you receive this.

[Abolishing the pensions lifetime allowance](#): FRAs and administrators to make themselves aware of the measures involved and consider whether they wish to respond to the consultation.

[Member remedy tax calculator](#): Scheme managers should register on the Secure Exchange Data Service ahead of the remedy exercise and delegate access

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accordingly.

FPS

Home Office collection of FPS forecasts for 2023-24 to 2028-29

In [FPS Bulletin 70 – June 2023](#) we informed you that Home Office had contacted FRAs giving them advance notice of their request for submission of pension income/expenditure forecasts for the period 2023-24 to 2028-29 via the online DELTA system.

On 6 July 2023, Home Office had emailed FRAs their formal commissioning letter requesting the pension forecasts. The letter sets out the centrally prescribed assumptions that must be applied when calculating an FRA's pension income and expenditure forecasts.

FRAs would be able to access the forms on DELTA from Monday 10 July and the deadline for DELTA returns is **cop Friday 25 August**.

Paragraph 3.1 of the letter sets out that the Home Office will shortly be requesting the local assumptions (for example on scheme member numbers, ill-health retirements etc.) that they are including in their forecasts and that this will be a separate return by email to the Home Office.

On 17 July 2023, Home Office emailed FRAs to inform them that the CPI figures in the original commission were incorrect, and to use the following correct rates in their forecasts:

| Year | CPI rate |
|---------|----------|
| 2023-24 | 10.1% |
| 2024-25 | 5.4% |
| 2025-26 | 0.6% |

| | |
|---------|------|
| 2026-27 | 0.0% |
| 2027-28 | 0.7% |
| 2028-29 | 1.7% |

The Home Office have informed us that they are currently progressing the AME Fire top up grant payments based on the accounting data submitted by each FRA on the online DELTA system. These payments are due to be made in late July 2023.

The Home Office are aware that some fire and rescue authorities have not yet completed their audit for the 2021/22 FY accounts. The Home Office will be following up with these FRAs later this year when their audits are completed. This will ensure that any changes between their audited and unaudited 21/22 Financial Year accounts are recorded for the purposes of the AME top up grant, and that any necessary audit adjustments (payments/recoveries) are actioned.

ACTION: FRAs should ensure that they are using the correct CPI rates in their forecasts and ensure that they meet the submission deadline.

ACTION: FRAs should look out for the Home Office’s follow up email, if you are affected and engage with them accordingly, to ensure the data submitted is accurate.

Age discrimination remedy – retrospective remedy

Further to [FPS Bulletin 67 – March 2023](#), where we informed you of the launch of [Home Office’s consultation on retrospective remedy](#), on 19 July 2023 Home Office published the government's [formal response to the consultation on the draft Firefighters Pensions \(Remediable Service\) Regulations 2023](#) and policy intent to implement the retrospective phase of the McCloud/Sargeant remedy.

[The Firefighters’ Pensions \(Remediable Service\) Regulations 2023](#) were subsequently laid in Parliament on 20 July 2023 and will come into effect from 1 October 2023.

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ACTION: FRAs and administrators to read the response and ensure that they are working to ensure they are ready for the implementation of the regulations on 1 October 2023.

Age discrimination remedy – Contributions Calculator inputs

The Government Actuary's Department (GAD) has been working on the McCloud remedy contributions calculator and have shared the draft inputs for the calculator.

Inputs are loaded into the calculator by importing from a CSV template. Imported values can be edited within the calculator before running or after running to make a required changed. Inputs can also be loaded manually.

The fields are detailed in the [Contributions Calculator inputs document](#) which form the columns of the input section of the calculator. A full description of each required field will be made available by GAD in due course.

For members where calculations are required for more than one scheme year, each scheme year is added as a new row. However, the output for each member is grouped together on the output.

If a calculation is being carried out monthly, a new row is required for each month. The output in these cases is similarly grouped.

ACTION: FRAs and administrators may wish to familiarise themselves with the draft inputs, so that they can ensure they are holding all the relevant data. A full data specification will be available in due course.

Age discrimination remedy – Interest and Tax

Following on from a number of queries relating to how interest in terms of tax should be applied, with thanks to HMRC and HM Treasury, please see the confirmed position below:

- Interest paid is taxable or tax free depending on whether the original payment was tax free.
- If the interest on a tax free amount plus the original tax free amount exceeds

statutory limits (for example, total PCLS), the excess becomes taxable as an unauthorised payment.

- Schemes will deduct tax due at the member's marginal rate and pay them the net amount. Arrears of pension are always taxable under PAYE (see the HMRC [Employment Income Manual](#)).
- The application of tax to the amounts of interest paid in excess of commercial rates still applies. Although it is explained in relation to guaranteed minimum pension, [Pension Schemes newsletter 140](#) sets out the tax treatment of interest.
- For compensation, under the [PSPJOA](#) it is adjusted to take account of what the tax/tax relief would have been in cases where it would have been taxable or subject to tax relief.

ACTION: FRAs and administrators should take note of this position, to ensure that they act accordingly when carrying out remedy.

Age discrimination remedy – Pension scams

We have been made aware through our conversations with Cross Whitehall colleagues that 3rd party organisations are contacting members of public service pension schemes, selling their help in claiming the 2015 remedy benefits.

We have therefore put some high-level wording together, which we will also adapt for the Firefighters' members website, that you may wish to put on your website pages:

“We have become aware that third party organisations are contacting members of public service pension schemes, such as the firefighters' pension scheme, selling their help in claiming the 2015 Remedy (McCloud) benefits.

As the administrator for XXXX we *will not request a fee* for providing this information. *You do not need to go through a third party* to claim these benefits and we will contact you in due course to provide you with your remedial service statement to allow you to make your remedy option.

Please remember to stay vigilant. If you are still unsure or have any concerns over a potential scam, please contact us for clarification.”

ACTION: Administrators and/or FRAs to add the suggested wording to the pension webpages.

Age discrimination remedy – warm up letters

In conjunction with the Firefighters’ Communications Working Group, warm up letters have been created to assist FRAs and administrators to manage member expectations on the timetable of when each cohort will be written to as part of the remedy exercise.

These letters include letters to beneficiaries. It was suggested by the group that not all FRAs/administrators will have contacted beneficiaries at this point; therefore, they may not wish to provide a warmup letter to this group.

A member remedy video is being developed in conjunction with Aon and will be available ahead of October 2023. The member video will reference the warmup letters.

These letters have been uploaded to the [Age discrimination remedy – retrospective remedy page](#) on the Firefighters’ Regulations and Guidance website.

ACTION: FRAs/administrators should use these to communicate with their members ahead of October 2023.

Age discrimination remedy – Ill health reassessment member outcome letters

In [FPS Bulletin 63 – November 2022](#), we published an [ill-health reassessment factsheet](#) to help FRAs determine which individuals require a reassessment of their ill-health determination as a result of remedy implementation.

In [FPS Bulletin 69 – May 2023](#), we published the IQMP template referral letters.

The member outcome letters for scenarios one, two, seven and nine as referred to in the ill-health assessment factsheet have now been added to the [Retrospective remedy webpage](#).

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ACTION: Once the IQMP has provided their determination and FRAs have considered this and agree with the outcome, FRAs should send these using the relevant member outcome letter.

Firefighters' Pension Scheme Adjustment in Respect of 2021 and 2022 Revaluation

We sent out an email on 11 July 2023 with a copy of a notification from the Home Office in respect of the Average Weekly Earnings (AWE) growth figures for 2021 and 2022. This will affect the Firefighters' Pension Scheme 2015:

"I'm emailing to make you aware of an issue that the Home Office have been working on with HMT, MoD and devolved administrations over the past few months, and a related WMS that was published on 6 July 2023: [Written statements - Written questions, answers and statements - UK Parliament](#)

During QA work for the Treasury Revaluation Order 2023, it was noted that the Orders for 2021 and 2022 used provisional Average Weekly Earnings (AWE) growth estimates published by the ONS the preceding November respectively rather than revised AWE figures published the preceding December. This deviates from the approach taken from 2015 to 2020 and in 2023, and our best assessment is that it occurred in error. This primarily affects schemes revalued based on AWE, i.e. the 2015 Firefighters' Pension Scheme including devolved schemes and the 2015 Armed Forces Pension Scheme. The overall effect is that revaluation for affected members is up to ~0.6% lower than it would have been if revised ONS figures had been used.

| Revaluation order for April | Figure in Order | Statistic as published in latest ONS release |
|------------------------------------|------------------------|---|
| 2022 | 4.1 | 4.5 |
| 2021 | 2.4 | 2.6 |

While primary legislation gives HMT a fairly broad remit on the choice of earnings measures, it is our and Treasury Ministers' view that, given the lack of a policy rationale for the change in methodology, affected members will need to be put back into the position they would have been in had revised AWE figures been used in 2021 and 2022. This is not straightforward legislatively as past Treasury Orders likely cannot be amended through future Treasury Orders or scheme regulations, but we believe that remedy can be provided through additional pension accrual under Section 3 PSPA 2013. MoD, HO and devolved administrations will consult and legislate for these scheme specific changes.

On the limited number of past Club transfers from the affected schemes, where transferred in pensions may have been smaller than should have been the case and/or revaluation provided on the basis of the sending scheme has been lower than it should have been following this correction. We have discussed this issue with CO and affected departments and DAs, and our preferred approach is to also correct the position for these members through a combination of the proposed s3 PSPA 2013 regulations and amendments to the Club Memorandum, and avoid receiving schemes having to make bespoke regulations in respect of a small number of past transfers in. However, there may be some issues to be worked through with this approach as the Club Memorandum cannot override conflicting rules of receiving schemes.

Please do share with SAB and happy for this to be put on the agenda at the next scheduled SAB.

There is no need for administration to take any further action for now, we will be in touch to discuss what implementing this change will mean.”

As indicated above, the Home Office will confirm further details on implementation in due course however FRAs and administrators should start scoping the work which will be involved following this notification.

ACTION: FRAs and administrators to make themselves aware of this issue and start scoping the work involved.

Government Actuary Department (GAD) – updated factors

In [FPS Bulletin 68 – April 2023](#) we confirmed that the CETV technical note had been suspended, and therefore all CETVs, Pensioner cash equivalents and non-club transfers-in should be suspended.

In [FPS Bulletin 69 – May 2023](#), we published that Home Office had confirmed that the first batch of updated factors had been provided by GAD. This updated the following factor tables:

- CETVs (x-201 to x-215),
- Pensioner cash equivalents (x-301 to x-312),
- Pension credits (x-313 to x-317),
- Pension debits (x-318 to x-328)

On 3 July 2023 Home Office confirmed that the second batch of updated factors had been provided by GAD. This updated the following factor tables:

- x-220 to x-221 (CARE TV ins),
- x-401 to x-403 (Early Retirement Factors),
- x-404 to x-407 (Late Retirement Factors)

and the following factor tables were withdrawn:

- x-216 to x-219 (non-Club tv ins for 2006 scheme)

These factors should be implemented as follows:

- x-220 to x-221 factors from **29 March 2023**.
- x-401 to x-403 and x-404 to x-407 factors from **3 July 2023**.

On 28 July 2023, Home Office confirmed that the third and final batch of updated factors had been provided by GAD. This updated the following factor tables:

- x-501 to x-504 (Trivial Commutation),
- x-603 and x-621 (Scheme Pays (Annual Allowance)),
- x-622 to x-627 (Scheme Pays (Lifetime Allowance))

These factors should be implemented with effect from 28 July 2023.

The updated factors should be used in conjunction with the relevant existing guidance notes in force for the Firefighters' Pension Schemes.

The factors are published on the relevant [GAD guidance pages](#) of the Firefighters' Pension Scheme Regulations and Guidance website.

ACTION: FRAs and administrators to ensure that they are using the revised factors from the relevant implementation dates.

Member benefit illustrations – FPS Northern Ireland

In [FPS Bulletin 56 – April 2022](#) we made you aware that the Scheme Advisory Board had worked with Barnett Waddingham to produce a suite of illustrative member scenarios.

Barnett Waddingham have now produced this for members in Northern Ireland and this is available on the [FPS member website](#).

ACTION: FRAs and administrators to make their members aware of the benefit illustrators.

Pension entitlements for retained Firefighters 2023 – FPS Wales

On 14 July 2023, Welsh Government launched their [consultation for retained firefighters](#).

The consultation seeks to make changes to the New Firefighters Pension scheme 2007 about pension rights for Retained Firefighters and Firefighters' 2007 Compensation Scheme in respect of secondary contracts.

The closing date is 6 October 2023.

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ACTION: FRAs and administrators to review the consultation and respond accordingly.

Technical query log

The [current log of queries and responses](#) can be accessed by practitioners in the member-restricted area of the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log is updated monthly in line with the bulletin release dates.

There were no technical queries raised in July.

FPS England SAB updates

Government Actuary Department (GAD) – Matthews benefit Calculator

On 4 May 2023, the Scheme Advisory Board (SAB) wrote to Chief Fire Officers to share the scope and cost of the GAD benefit calculator, which is in addition to the scope of the workplan between Home Office and GAD, to ask for comments by 11 May 2023.

As no objections were received to the proposal, the SAB commissioned GAD to take this work forward.

GAD attended the [LGA coffee morning](#) on 6 June 2023 to discuss the scope of the calculator and have been working with stakeholders through the Matthews Working Group to develop the calculator. The calculator will be tested by those FRAs who have volunteered. The final calculator will then be made available for FRAs to use for the Matthews Second Options Exercise.

Cost Effectiveness Committee Meeting

On 25 July 2023, the Cost Effectiveness Committee met to discuss the draft 2020 Scheme valuation assumptions for England.

In this meeting the SAB actuarial advisors, First Actuarial, presented a report setting out advice and assurance to the committee on the data and assumptions advice given by the Government Actuary's Department (GAD) for the valuation of the

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Scheme as at 31 March 2020. The report also set out areas where they believe the SAB may wish to make representations to the Home Secretary on alternative assumptions or other issues such as data quality that are identified during the assumptions setting process. A response has now been collated and sent on behalf of the Chair of SAB to the Home Secretary.

Cost Effectiveness Committee Appointment

Following a vacancy on the Cost Effectiveness Committee for an FRA Local Pension Board representative, we are pleased to confirm that Councillor Ben Clayton has been appointed. The main objectives of the Cost Effectiveness Committee are to determine how much it costs to run the Firefighters' Pension Schemes and to respond to Home Office consultations regarding the actuarial cost of the scheme. As detailed above, the Cost Effectiveness Committee met on 25 July 2023 to discuss the draft assumptions for the 2020 valuation.

Other News and Updates

Firefighters Pensions – Pension Advisor Role(s) vacancy

The LGA pensions team works with and on behalf of authorities and other stakeholders across the Firefighters, Police, and Local Government pension schemes in England. To be part of this team is to be a vital element in the legislative and administrative framework of some of the largest pension schemes in the UK.

We are looking for inspirational individuals to work alongside experienced and talented pensions specialists in respect of the Firefighters' pension schemes.

Reporting directly to the Firefighters Senior Pensions Adviser, the successful candidates will assist with priority developments in scheme governance and provide support to employers, as well as to the Firefighters' Pensions Scheme Advisory Board, its committees, and Fire and Rescue Authorities' Local Pension Boards.

We have two roles being advertised within the Firefighters' pensions team. If you are interested in applying, please see the full advert on the [website](#).

The Public Service Pensions and Judicial Offices Act 2022 (Commencement No 2) Regulations 2023

On the 3 July 2023 the [Public Service Pensions and Judicial Offices Act 2022 \(Commencement No 2\) Regulations 2023](#) were laid. These Regulations are the second Commencement Regulations made under the Public Service Pensions and Judicial Offices Act 2022 and bring into force Chapter 2 and sections 109 and 110 of the Act.

Chapter 2 makes retrospective provision to rectify unlawful discrimination in the way in which existing Judicial pension schemes were restricted under the Public Service Pensions Act 2013.

Regulation 2(b) brings into force section 109, to the extent that it is not already in force and to the extent that it applies for the purposes of Chapter 2 of the Act.

Regulation 2(c) brings into force sections 110, to the extent that it is not already in force and to the extent that it applies for the purposes of Chapter 2 of the Act.

The Pensions Regulator (TPR) - survey

Over the coming weeks, you may receive a survey from The Pensions Regulator (TPR) – this is an anonymous, factfinding exercise to understand some of the challenges faced by schemes in getting member data from the employer. For example, what data is collected, when this is provided and what is the process if there are delays.

The scheme selection is mainly focused on schemes who have a large number of employers and will be sent to the Scheme Contact they have on record (but may be forwarded to the most appropriate person to provide the information).

ACTION: We would encourage you to respond to the survey should you receive this.

Staging dates – The Pensions Regulator (TPR) expectations

The Pensions Regulator (TPR) has updated its [‘Failing to comply with dashboards duties’ guidance](#). The purpose of the update is to outline what schemes will need to do to demonstrate that they have had regard to the staging timetable. The staging

timetable will be set out in connection guidance.

TPR expects schemes to do the following to show that they ‘have regard to the connection guidance’:

- Connect to dashboards by the connection deadline of 31 October 2026 that is set out in legislation. Failure to do so could result in regulatory action by TPR.
- A revised staging timetable will be set out in guidance which will indicate when schemes are scheduled to connect. All trustees and scheme managers must have regard to this guidance. Failure to do so will be a breach.
- Although the timelines in guidance will not be mandatory, schemes will be expected to demonstrate how they have had regard to the guidance. Amongst other considerations, this means that scheme managers:
 - should not make decisions about connection until they have engaged with the guidance.
 - must be able to demonstrate that they have adequate governance and processes for making such decisions. The reasoning for the decisions should be clearly considered and documented, as should how relevant risks are identified, evaluated and managed.
 - should make sure that they have access to all the relevant information before making decisions and acting on them. This includes engaging with those who are supporting them to develop a practical delivery plan. Clear and accurate audit trails need to be kept to demonstrate the decisions made, the reasons for them and the actions taken.
- A phased approach to staging enables a controlled and well-planned connection, reduces the risk of provider capacity constraints, and means savers can realise the benefits of pension dashboards as early as

possible.

- Continuing to prepare for dashboards by engaging with those who will support them with their dashboard duties, such as ISP providers and administrators:
 - to assess the potential impact of these changes on their schemes
 - to agree a practical delivery plan, and
 - to continue activity on getting to grips with member data.

[The Pensions Dashboards Programme \(PDP\) video: An introduction to the dashboards available point](#)

The Pensions Dashboards Programme (PDP) has launched a [video introducing the dashboards available point](#). The dashboards available point is the date when pensions dashboards will be made available to the public.

[Pensions Dashboards \(Amendment\) Regulations 2023](#)

In [FPS Bulletin 70 – July 2023](#) we informed that further to the [written ministerial statement](#) made on 8 June 2023, that draft regulations had been laid to amend the Pensions Dashboard Regulations 2022.

On 19 July 2023 [The Pensions Dashboards \(Amendment\) Regulations 2023](#) were made and will come into force on 9 August 2023.

[The Police Pensions \(Remediable Service\) Regulations 2023](#)

On 19 July 2023 the [Police Pensions \(Remediable Service\) Regulations 2023](#), were laid and will come into force on 1 October 2023.

[Teachers' Pension Scheme \(Remediable Service\) Regulations 2023](#)

On the 26 July 2023 the [Teachers' Pension Scheme \(Remediable Service\) Regulations 2023](#), were laid and will come into force on 1 October 2023.

HMRC

Pension Schemes Newsletter 151 – June 2023

HMRC published Pension Schemes [Newsletter 151 - June 2023](#) on 30 June 2023.

The newsletter contained articles on:

- the annual allowance calculator
- the abolition of the Lifetime Allowance – payment of standalone lump sums, and
- the Managing Pension Schemes service

Pension Schemes Newsletter 152 – July 2023

HMRC published Pension Schemes [Newsletter 152 – July 2023](#) on 20 July 2023.

The newsletter contained articles on:

- Legislation Day (L-Day) 2023,
- Relief at source – annual return of information for the tax year 2022 to 2023,
- Pension flexibility statistics
- Qualifying recognised overseas pension schemes transfer statistics, and
- Purpose of registered pension scheme

Abolishing the pensions lifetime allowance

On 18 July 2023 HMRC launched their [consultation](#) to abolish the pensions lifetime allowance (LTA). The LTA consultation is part of a wider consultation on proposed clauses for the next Finance Bill

This is designed to deliver the changes necessary to abolish the pensions lifetime allowance from the tax year 2024 to 2025 onwards, as announced at Spring Budget 2023.

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The closing date for responses is 12 September 2023.

ACTION: FRAs and administrators to make themselves aware of the measures involved and consider whether they wish to respond to the consultation.

Age discrimination remedy - Member tax calculator

As part of discussions with HMRC regarding the development of the member remedy tax calculator, it has been identified that Scheme Managers will need to register for the Secure Exchange Data Service (SDES), to allow HMRC to provide schemes with member information so that they can make any necessary refund/adjustments in benefits.

Once the Scheme Manager has registered, they will then be able to delegate access to their pension administrators, where applicable.

Guidance slides have been made available to assist Scheme Managers to register for the [Secure Exchange Data Service](#) (SDES).

ACTION: Scheme Managers should register on the Secure Exchange Data Service ahead of the remedy exercise and delegate access accordingly.

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing on a regular basis. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

We are pleased to include the presentations from recent session below, which was held on 11 July 2023:

[LGA update – Retrospective remedy and Mathews Second options exercise](#)

If you do not already receive the meeting invitations and would like to join us, please email bluelightpensions@local.gov.uk. Please note that attendance at the coffee mornings is generally restricted to FPS practitioners and managers.

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Firefighters' Pensions AGM – London – 19 and 20 September 2023

Great news!!! Bookings have opened for the AGM.

The two-day programme allows delegates to network with fellow colleagues and hear the latest news on the Firefighters' Pension Scheme (FPS) from the scheme's key stakeholders.

You will hear important updates, including:

- Chair of the Scheme Advisory Board
- The Home Office
- The Pensions Regulator
- The Government Actuary's Department
- Communications and engagement
- Legal Updates

As well as providing the opportunity to network with other FPS stakeholders, there will be interactive and thought-provoking workshops to take part in during the day on:

- Retrospective remedy - communications, and
- Matthews second exercise

Day 1 – Tuesday 19 September 2023 16:30 – 18:30

Primarily for Scheme Managers and Local Pension Board chairs, day 1 of the conference will provide practical guidance on the role of the scheme manager and will offer the opportunity to network with counterparts in other FRAs.

Following this session there will be a drinks reception on the terrace from 18:45.

Day 2 – Wednesday 20 September 2023 10.00 – 15:30

Day 2 of the conference provides delegates with an annual update on the

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Firefighters' Pension Scheme from key stakeholders.

Bookings are open on the LGA Events page.

[Firefighters' Pensions Annual Conference Day One](#)

[Firefighters' Pensions Annual Conference Day Two](#)

Legislation

Acts

[Finance \(No.2\) Act 2023](#) [2023/30]

Statutory Instruments

[The Firefighters Pensions \(Remediable Service\) Regulations 2023](#) [SI2023/843]

[The Pensions Dashboards \(Amendment\) Regulations 2023](#) [SI2023/858]

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [FPS Member](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)
- [Scottish Public Pensions Agency - Firefighters](#)
- [Welsh Government Fire circulars](#)

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**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

Purpose: Noted

Date: **12 OCTOBER 2023**

Title: **FIRE PENSION BOARD STATUS REPORT & RISK REGISTER REVIEW**

Report of Chief Financial Officer

SUMMARY

1. This report provides an update on the development of key items.
2. This report, together with attachments, provides the framework for this meeting agenda.

COMMUNICATION

3. Before her departure, the Employer Pension Manager provided a presentation at a pre-retirement course.
4. The next presentation for the pre-retirement course will be in December 2023 and will be delivered by the Chief Financial Officer.
5. The Employer Pension Manager and Chief Financial Officer attended two face to face pension sessions on the Isle of Wight. These covered general pensions information in addition to a specific focus on the Matthews remedy.

MEMBER PORTAL

6. The proportion of members who are registered on the portal continues to gradually increase, with the greatest increase coming from active members. The importance of registering for the portal continues to be flagged in pensions communications. The total of 52.32% is greater than the 50.01% registered at 31 May 2023 as reported in the July 2023 update.

| HAMPSHIRE & ISLE OF WIGHT FIRE AND RESCUE SERVICE | | | | | | | | |
|---|--------------|------------------------|--------------|--------------------------|--------------|---------------------------|--------------|-----------------------|
| HIWFRA - FPS | Active | | Deferred | | Pensioner | | Totals | |
| | Number | % of active membership | Number | % of deferred membership | Number | % of pensioner membership | Number | % of total membership |
| Registered | 752 | 57.94% | 528 | 39.37% | 840 | 59.45% | 2,120 | 52.32% |
| Not registered | 546 | 42.06% | 813 | 60.63% | 573 | 40.55% | 1,932 | 47.68% |
| Total | 1,298 | 100.00% | 1,341 | 100.00% | 1,413 | 100.00% | 4,052 | 100.00% |

DEPARTURE OF THE EMPLOYER PENSIONS MANAGER

7. The Board were informed at the previous meeting about the departure of the Employer Pension Manager, who has now left to take up a new role.
8. Future resourcing for the in-house HR function, including employer pension responsibilities will be considered at the Fire Authority on 10 October 2023. In the interim, the Chief Financial Officer will continue to work with colleagues in HR, IBC pensions administration and Pensions Services to ensure that employer functions are fulfilled.

RISK REVIEW

9. There are a number of items in pension administration and governance which contain elements of risk to varying degrees. Risks are captured through a variety of ways; some are on the risk register, while others are picked up as part of the regular horizon scanning that the Employer Pension Groups do.

RISK REGISTER

10. Two minor amendments have been made to the risk register. The first is that, in light of the production of the relevant legislation, the likelihood of failing to implement the McCloud remedy within the prescribed timescales has been reduced. Secondly, the likelihood of changes to the shared services arrangement impacting on employer pension management has been increased, while the impact has been reduced due to new mitigations. This risk will stay live until the new HR service is embedded.
11. The Board are asked to review the Risk Register and to suggest any amendments or new risks that need to be added. The Risk Register can be found in APPENDIX A.

MATTHEWS / O'BRIEN CASE

12. Work continues on the Matthews / O'Brien remedy. Warm up communications have been sent to members and the details of members who may have been missed from the original cohort continue to be captured.
13. The next steps are to use a tracing agency to trace members whose original warm up communications letters have been returned and to contact all members with an expression of interest form.
14. Work continues with IoW Council to identify what data exists to support the exercise. Should data not be available then assumptions may be used instead. More information on available data and assumptions to be used will be brought back to a subsequent Pensions Board meeting once the position is clear.
15. Some project management support has been identified and work continues with colleagues within HIWFRA and the shared services partnership.

McCLOUD / SARGEANT REMEDY

16. As 1 October 2023 has now passed and the relevant legislation has been laid, the issue of immediate detriment is no longer relevant. Any current or previous firefighter, who retires or passes away from 1 October 2023, and qualifies for McCloud/Sargeant Remedy, will have the two benefit options calculated and offered to them or their beneficiaries.
17. As the software will not immediately be available, this will not be in the form of a Remedial Service Statement (RSS). Instead, the regulations that have been laid, allow Pension Services to offer the choice of benefits in the form of two estimates which should also set out any relevant contribution adjustment, to allow the member to make an informed choice. The two estimates can be produced from the current Pension Services system, UPM, and the contribution adjustment will be carried out using the Government Actuary Department's (GAD) calculator, which was released in mid-September.
18. From 4 October 2023, UPM will allow the payment of benefits under both:
 - (a) the 'legacy' position i.e., final salary benefits based on membership up to 31/03/2022, CARE benefits from 01/04/2022; and
 - (b) the 'remedy' position i.e., final salary benefits based on membership up to 31/03/2015, and CARE benefits from 01/04/2015.
19. This will mean that remedy will be resolved for firefighters retiring from 1 October 2023.

20. However, this leaves the cohort of people who retired from 2015 to 1 October 2023. As discussed in previous updates, these will be dealt with in a phased approach. The next deadline is that the benefits for previous ill health retirements and for beneficiaries of firefighters who have passed away and would have qualified for McCloud/Sargeant Remedy will need to be recalculated by March 2024. Currently the software to do this is not available but is expected by January 2024, so this deadline is on target to be met. This is a relatively small cohort of people so will be achievable in the three month window.
21. Regular updates against the milestones of the McCloud remedy timescales are set out below and will be provided to the Pension Board at subsequent meetings.

| Group | Immediate Choice or Deferred Choice member | Type | Total number of Police and Fire cases to be dealt with by HPS | Number of total cases for HIWFRA only | Proposed deadline for issue of RSS |
|-------|--|--|---|---------------------------------------|------------------------------------|
| 1 | Immediate Choice | Ill Health Retirements | 175 | 12 | 31/03/2024 |
| 2 | Immediate Choice | Beneficiaries | 25 | 10 | 31/03/2024 |
| 3 | Deferred Choice | Actives | 2,404 | 633 | 31/08/2024 |
| 4 | Deferred Choice | Deferreds | 712 | 329 | 31/08/2024 |
| 5 | Immediate Choice | Unprotected and Tapered Pensioners | 213 | 82 | 30/11/2024 |
| 6 | Immediate Choice | Protected 2006 Pensioners | 33 | 15 | 31/01/2025 |
| 7 | Immediate Choice | Protected 1987 Police and 1992 Fire Pensioners | 769 | 133 | 31/03/2025 |
| | | | 4,331 | 1,214 | |

REMEDY PROJECT COSTINGS

22. There are no further updates on the costs of the McCloud Remedy since the last update. The project remains within available funding.
23. As yet no additional costs, other than printing and postage, have been incurred for the Matthews remedy work. However as the work progresses, further external costs e.g. tracing agency costs, shared services costs, and internal administrative costs will be incurred. Currently the available government grant, held in the Revenue Grants Unapplied Reserve, covers the costs of both remedies.

RECOMMENDATION

24. That the content of the report be noted by the HIWFRA Firefighters' Pension Board
25. That Risk Register as set out in paragraphs 9-11 and Appendix A be approved by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

26. APPENDIX A – Risk Register

Contact:

Catherine Edgecombe, Chief Financial Officer, 0370 779 6214,
catherine.edgecombe@hants.gov.uk

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Risk Register for Fire Pensions

| Risk number | Date identified | Risk area | Risk description | Likelihood | Impact | Risk score | Control measure / mitigation | Likelihood after mitigation | Impact after mitigation | Risk score after mitigation | Risk owner |
|-------------|-----------------|----------------------------|--|------------|--------|------------|--|-----------------------------|-------------------------|-----------------------------|-----------------------|
| 1 | 12/05/2017 | Operations | Failure to administer the pension scheme in a proper and effective manner | 2 | 3 | 6 | a) Liaison with employer b) End of Year c) Employer hub (UPM access) d) Fire Employer Group & Pensions Admin Group e) Fire Pension Board f) Management oversight and escalation to Chief Finance Officer for HIWFRA or Standard's & Governance Committee or Director of Operations as appropriate g) Diversification – we run a Shared Services arrangement h) Ability to call in temporary staff for peak workloads i) Business continuity plan | 1 | 3 | 3 | Scheme Manager |
| 2 | 12/05/2017 | Financial | Failure to pay the right amounts on time and in line with legislation | 3 | 3 | 9 | Pensions Services: - a) Testing software b) Internal and External Audits c) Standardisation of systems and processes d) All processes and calculation have a "doer" and a separate "checker" e) Monthly mortality screening for pensions in payment f) Declaration of Entitlement forms annually to pensioners and beneficiaries living overseas or upon mail being returned g) Participation in National Fraud Initiative reporting | 2 | 3 | 6 | Pension Administrator |
| 3 | 12/05/2017 | Funding | Failure to adequately account for fund pension contributions | 2 | 4 | 8 | a) Strong financial plan for HIWFRA b) Planned budget c) Aim to complete all Home Office returns on time | 1 | 4 | 4 | Scheme Manager |
| 4 | 12/05/2017 | Regulatory and Compliance | Failure to identify and interpret and implement legislation correctly | 3 | 4 | 12 | a) Scheme Advisory Board b) Local Government Association (LGA) c) Regional Fire Pension Officer Group d) Fire Technical Group e) Fire Communication Working Group f) Fire Pension Board g) Employer Pension Manager as a dedicated resource liaising between - Fire Employer Group & Pensions Admin Group, pulling together - Key Accountabilities for IBC Pensions Admin Team, HR and Hampshire Pension Services | 1 | 4 | 4 | Scheme Manager |
| 5 | 08/10/2020 | McCloud | Failure to successfully implement the McCloud remedy to all affected members within the timescales prescribed | 3 | 4 | 12 | a) Communications are developed in a timely manner b) Project is managed effectively with robust plans, reporting and escalation c) Key involvement from the Employer Pension Manager with the Cross Whitehall Project Management Group and the Home Office Technical Working Group as well as the Fire Technical Group and the Fire Communications Working Group to ensure all information is received d) Work across departments to be co-ordinated from the McCloud Remedy Working Group | 2 | 4 | 8 | Scheme Manager |
| 6 | 25/03/2022 | Matthews | Failure to obtain all relevant information from IoW Council or to successfully implement the Matthews remedy for HIWFRA to all affected members within the timescales prescribed. | 2 | 3 | 6 | a) Liaison with IoW Council, IBC Pensions Admin Team and Hampshire Pension Services b) Communications are developed in a timely manner c) Project is managed effectively with robust plans, reporting and escalation d) Key involvement from the Employer Pension Manager with the Matthews Technical Working Group as well as the Fire Technical Group and the Fire Communications Working Group to ensure all information is received e) Work across departments to be co-ordinated from the Fire Employer Group | 2 | 2 | 4 | Scheme Manager |
| 7 | 31/01/2023 | Staffing | Failure to adequately resource the pension administration team for the upcoming McCloud and Matthews remedy implementations as well as Pensions Dashboards | 3 | 3 | 9 | a) Staff recruited specifically for McCloud tasks or to backfill positions so more experienced staff can be released for project b) Job adverts revised to attract more staff to work in Hampshire Pension Services c) Training programmes put in place for staff to aid retention and to build skills, experience and knowledge | 2 | 2 | 4 | Pension Administrator |
| 8 | 21/03/2023 | Changes to Shared Services | Changes to the Shared Services partnership mean that HIWFRA is withdrawing from some strategic services, including HR. There is a risk that changes could negatively impact on the employer pension management shared function which sits within HR. | 4 | 3 | 12 | This risk is now mitigated as follows:- a) Inclusion of pension expertise in future HR structure b) Additional support from pension services and IBC pensions administration c) Interim project management support from with HIWFRS for pensions issues until new HR structure is in place | 3 | 4 | 12 | Scheme Manager |

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**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

HIWFRA Firefighters Pension Board

Purpose: Approval

Date: **12 October 2023**

Title: **SUCCESSION PLAN AND BOARD DIVERSITY REPORT**

Report of Chief Fire Officer

SUMMARY

1. The Hampshire and Isle of Wight Fire and Rescue Authority's (HIWFRA) Constitution contains the Terms of Reference of the HIWFRA Firefighters Pension Board. It includes that the Pension Board member appointments are for a time-limited period. To ensure effective forward planning, it is proposed that work is undertaken to review the appointment process, including its member diversity and create a succession plan. It is accepted that many of the elements which may be needed, already exist. In this case, it is proposed to review these elements and cite their location within the succession plan.
2. To enable the safe and successful future management of the scheme some key aspects should be considered, and the purpose of this report is to set out some of these matters and seek support of the Pension Board to act to develop and document these matters appropriately. A report setting out these matters with actions will come back to the Pension Board in due course.

BACKGROUND

3. Hampshire and Isle of Wight Fire and Rescue Authority (HIWFRA) has established a Pension Board in accordance with the requirements of the Public Service Pensions Act 2013.
4. The role of the Pension Board is to assist HIWFRA as the administering authority of the HIWFFPS, and to ensure the effective and efficient governance and administration of HIWFFPS by the Authority.

HIWFRA FIREFIGHTERS' PENSIONS BOARD

5. The Pension Board assists HIWFRA by acting in an advisory capacity. It is collectively and individually accountable to HIWFRA and its Standards & Governance Committee which has the delegated authority to act as the Scheme Manager for the HIWFFPS.
6. The Board meets at regular intervals throughout the year with a total of 4 meetings a year.
7. Its purpose is to ensure that the scheme complies with relevant legislation and is alert to changes, to respond to The Pensions Regulator (TPR) on matters arising and guide the Scheme Manager with new policies and interpretations of existing policies. The Pension Board Terms of Reference are agreed by the HIWFRA and set out in its Constitution.

PENSION BOARD MEMBERSHIP

8. There are 8 members in total, 4 members are appointed as employer representatives, and 4 members are appointed as scheme member representatives in accordance with the recruitment terms agreed by the committee with responsibility for scheme management (such as they must be active, deferred or pensioner members of the HIWFFPS).
9. The Pension Board appointments are made by HIWFRA.

KNOWLEDGE AND SKILLS OF BOARD MEMBERS

10. It is essential that board members have a suitable mix of experience and backgrounds to bring their knowledge, experience, and judgements forward. This diversity of experience and background are critical to an effective board and should be an essential part of the succession plan.
11. There are some essential elements which board members must have which are suggested by TPR. These include personal skills and knowledge and understanding of pensions legislation and guidance.
12. Such things may include:
 - Knowledge of pension scheme rules
 - Knowledge of policies:
 - Conflicts of interest and the register of interests
 - Record keeping

- Internal dispute resolution
 - Reporting breaches
 - Maintaining contributions to the scheme
 - The appointment of Board members
- Understanding of the law related to the pension scheme
 - Understanding of the risk register/assessment
 - Personal qualities based on the Nolan principles

SUPPORTING OUR SAFETY PLAN AND PRIORITIES

13. The proposal in this report aligns to our Safety Plan and priorities including our people, public value and high performance.

RESOURCE IMPLICATIONS

14. it is anticipated that existing resources from within HIWFRS will be able to support and achieve this proposal, without additional resources or cost.

IMPACT ASSESSMENTS

15. Should impact assessments be required, this will be considered as part of the work to be undertaken, should members approve this proposal.

LEGAL IMPLICATIONS

16. This proposal is in support of the fundamental role of the Pension Board to assist HIWFRA as the administering authority of the HIWFFPS, and to ensure the effective and efficient governance and administration of HIWFFPS by the Authority, and the requirements of the Public Service Pensions Act 2013.

RISK ANALYSIS

17. The time limiting factor and personal circumstances of board members, risks vacancies being experienced and an ineffective board developing. A succession plan will limit this risk to maintain high performing support to the scheme manager.

CONCLUSION

18. It is proposed that work is commissioned by the HIWFRA Firefighters' Pension Board, to create a succession plan. It is accepted that many of

the elements which may be needed, already exist. In this case, it is proposed to review these elements and cite their location within the plan.

19. A succession plan considering aspects of diversity of experience and background, together with appropriate skills and knowledge will bring this to one place to enhance the chance of good application.
20. A succession plan which considers the diversity of the Pension Board in addition to the future make up of members, benchmarked against TPR recommendations, will enhance, and protect the effectiveness of the Pension Board in achieving its requirements to advise the Scheme Manager.

RECOMMENDATION

21. That the HIWFRA Firefighters' Pension Board approves the proposal to bring a report setting out a succession plan for review at a future meeting.

BACKGROUND PAPERS

[Our fire authority - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](http://hantsfire.gov.uk)

Contact: Stewart Adamson, DCFO/Director Policy, Planning and Assurance, stew.adamson@hantsfire.gov.uk 07918887596