

## NOTICE OF MEETING

<i>Meeting</i>	<b>HFRA Hampshire Firefighters' Pension Board</b>	<i>Clerk to the Hampshire Fire and Rescue Authority</i> <b>John Coughlan CBE</b>
<i>Date and Time</i>	<b>Wednesday, 27th January, 2021 10.00 am</b>	<i>The Castle, Winchester Hampshire SO23 8UJ</i>
<i>Place</i>	<b>Virtual Teams Meeting - Microsoft Teams</b>	
<i>Enquiries to</i>	<b><u><a href="mailto:members.services@hants.gov.uk">members.services@hants.gov.uk</a></u></b>	

### FILMING AND BROADCASTING NOTIFICATION

This meeting will be broadcast live via the HFRS YouTube Channel

### Agenda

**1 APOLOGIES FOR ABSENCE**

To receive any apologies for absence received.

**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 - 8)**

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 SCHEME ADVISORY BOARD VERBAL UPDATE**

To receive a verbal update on the recent work of the Scheme Advisory Board.

**7 DRAFT TERMS OF REFERENCE FOR HIWFRA FIREFIGHTERS' PENSION BOARD AND MEMBERSHIP OF THE BOARD REPORT (Pages 9 - 24)**

To receive the draft Terms of Reference for HIWFRA Firefighters' Pension Board and membership of the Board report.

**8 LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT (Pages 25 - 68)**

To receive a report providing an update on legislation and the Local Government Association.

**9 FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW (Pages 69 - 88)**

To receive an update on the development of key issues and to review the Risk Register.

**ABOUT THIS AGENDA:**

This agenda is available on the Hampshire Fire and Rescue Service website ([www.hantsfire.gov.uk](http://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 HFRA Hampshire Firefighters' Pension Board held remotely using Microsoft Teams on Thursday, 8th October, 2020

Chairman:

\* Stew Adamson

Vice-Chairman:

\* Richard North

\*Councillor Roger Price

\*Richard Scarth

\*Mark Hilton

\*Present

Also present with the agreement of the Chairman:

Jo Thistlewood, Technical Finance Manager, Isle of Wight Council

## 104. **APOLOGIES FOR ABSENCE**

Apologies were received from Dan Tasker.

## 105. **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 entered 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.

There were no declarations of interest received for the meeting.

## 106. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed as a correct record of the meeting.

Matters arising - Minute 101, the Chairman confirmed that he had looked to raise awareness in relation to the use of the member portal, and had also explored opportunities with the Unions in relation to joint working.

Matters arising - Minute 103, the Chairman also confirmed that planning for pre-retirement courses was also underway.

**107. DEPUTATIONS**

There were no deputations on this occasion.

**108. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed Mark Hilton to his first meeting of the Board as the newly elected employee representative. The Chairman also highlighted that he had recently attended the Firefighters' Pension Scheme Annual General Meeting.

**109. SCHEME ADVISORY BOARD**

The Chairman invited Cllr Roger Price to provide a verbal update on the Scheme Advisory Board. Cllr Price highlighted the risk in relation to Pensions, and whether this should be included on the Authority's Organisational Risk Register due to possible financial implications to the Authority. The risk of administrators potentially dropping out of administering fire pensions due to their complexity was also highlighted. It was also noted that only two software providers currently had the ability to calculate pensions.

Cllr Price drew attention to the issues which were discussed at the last SAB pensions meeting on the 17 September which included pensionable pay, abatement guidance, immediate detriment guidance, age discrimination, pensions administration and Covid.

Officers confirmed that the Board could include Pensions on the Pensions Fire Risk Register if they wished, and also further explore the inclusion of Pensions on the Organisational Risk Register, and this could be discussed further at Item 9 on the agenda.

RESOLVED:

That the Firefighters' Pension Board noted the verbal update.

**110. FIREFIGHTERS PENSIONS OFFICERS GROUP**

The Chairman invited the Vice-Chairman Richard North to provide a verbal update on a recent Firefighters' Pensions Officers Group meeting, which he had attended on the Chairman's behalf. It was heard that a number of issues had been discussed at the meeting which included the McCloud/Sargeant case, annual allowance calculations, the O'Brien/Matthews case, retrospective tax relief, and the cost cap on the 2015 pensions scheme.

It was heard that the deadline for responses for the Government consultation on the public service pension scheme was soon, and the Chairman highlighted that this was also detailed further at agenda item 9.

RESOLVED:

That the update was noted by the Firefighters' Pension Board

**111. LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT**

The Board received an update report from Officers on Legislation and the Local Government Association (LGA) (Item 8 in the Minute Book).

The Board's attention was drawn to paragraph 7 of the report, and it was heard that the LGA had recommended some suggested wording for Fire and Rescue Authorities to use in job adverts in relation to pensions. It was heard that this was a technically complex area, and there were concerns around making the wording of adverts too complex, and the Board's views were sought. In discussion, Members felt that job adverts should focus on job responsibilities, and signposting to further information on pensions could be included in job adverts. It was felt that discussing this at interview stage would not be appropriate, as interviewers may not have the experience to answer queries on pensions, and there was the risk of wrong information being given.

Officers highlighted paragraph 9 of the report, which provided further details of the Pensions Scheme Bill which would enable people on a defined contribution scheme to have a pensions dashboard with all their pension contributions in one place. It was heard that currently the Bill only applied to private sector schemes, but it was heard the Government would be looking to introduce this for the public sector at some point.

RESOLVED:

That the Board noted the contents of the report.

**112. FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW**

The Board received a report which provided an update on ongoing issues (Item 9 in the Minute Book). The report was introduced and the Board's attention was drawn to the Risk Register at Appendix A of the report, and the Board's view was invited as to whether they would wish to include Pensions McCloud Remedy work on the Pensions Risk Register as an additional risk, and also whether this should be included on the Organisational Risk Register of the Authority. Board Members were content with this.

Paragraph 8 of the report detailed the Sargeant case, and Officers highlighted the complexities and the importance of this case. Attention was drawn to Appendices C and D of the report which also detailed further information on this, and Board Members were encouraged to familiarise themselves with this information. It was also noted that future Board training sessions could also include this topic. Officers also drew Board Members attention to paragraph 17

of the report which highlighted that a lot of resources would be needed for the McCloud/Sargeant remedy, and may mean an increased cost for all partners. It was noted that any extra costs would be recorded.

It was noted that there had been a 5% increase in those registering for the member portal, but this was still low. Board Member Mark Hilton had asked the Fire Brigade Union to put this topic on their meeting agendas to raise awareness of this through the Union branches. Mark would also highlight to officers any problems with accessing the portal which had been fed back to him. The Chairman had also asked that this topic be included on the agenda of the monthly Joint Trade Union meeting to help raise awareness.

Paragraph 32 of the report set out details around auto-enrolment process when the Combined Fire Authority (CFA) takes effect from the 1 April 2021, and the communications around this. In relation to the CFA and temporary promotions, Members of the Board were asked to endorse the proposal as set out in paragraphs 21-22, and a report would be taken to the Shadow Authority recommending a formal decision to this effect.

With regards to membership of the pension board under the new CFA, details of this were highlighted to the Board as set out at paragraphs 36 – 39 of the report, and Members of the Board were content to endorse this approach.

**RESOLVED:**

- a) That the content of this report be noted by the HFRA Hampshire Firefighters' Pension Board.
- b) That the Risk Register as set out in paragraphs 4-7 and APPENDIX A be approved by the HFRA Hampshire Firefighters' Pension Board, with the addition of a further risk associated with the McCloud remedy work.
- c) That the HFRA Hampshire Firefighters' Pension Board direct officers to look further into the proposal to include pensions and McCloud remedy work in the organisational risk register, and go through the necessary governance to make this happen.
- d) That the response to the Public Service Pension Schemes consultation as set in APPENDIX E is endorsed by the HFRA Hampshire Firefighters' Pension Board.
- e) That the proposal about the treatment of temporary promotions under the CFA as set out in paragraphs 21-22 of the report is endorsed by the HFRA Hampshire Firefighters' Pension Board and that a report is taken to the Shadow H&IOW Fire and Rescue Authority recommending a formal decision to this effect.
- f) That the proposal about the membership of the Fire Pension Board under the CFA as set out in paragraphs 36-39 of the report is endorsed by the HFRA Hampshire Firefighters' Pension Board and that a report is taken to

the Shadow H&IOW Fire and Rescue Authority to enable the necessary appointments to be made.

---

Chairman,

This page is intentionally left blank



**HAMPSHIRE  
FIRE AND  
RESCUE  
AUTHORITY**

## **HFRA FIREFIGHTERS' PENSION BOARD**

Purpose: Noted

Date **27 JANUARY 2021**

### **Title DRAFT TERMS OF REFERENCE FOR HIWFRA FIREFIGHTERS' PENSION BOARD AND MEMBERSHIP OF THE BOARD REPORT**

Report of Committee Clerk

#### SUMMARY

1. For the HFRA Firefighters' Pension Board to receive the draft report (attached at Annexe A) and draft Terms of Reference for HIWFRA Firefighters' Pension Board (attached at Annexe B), which will be considered by the Shadow Authority at their meeting on the 10 February 2021.
2. The new Combined Fire Authority of Hampshire and the Isle of Wight (HIWFRA) will come into effect from the 1 April 2021. Under combination there is the requirement to have one Pension Board for the new combined authority from 1 April 2021 and there is a requirement that the Pension Board has a Terms of Reference. The Terms of Reference, and membership of the Board will be considered by the Shadow Authority on the 10 February 2021.

#### RECOMMENDATION

3. That the HFRA Firefighters' Pension Board note and support the recommendations to the Shadow Authority, as set out in the attached report at paragraphs 10 – 11.

#### APPENDICES ATTACHED

4. ANNEXE A – Draft Report to Shadow Authority
5. ANNEXE B – Draft Terms of Reference for HIWFRA Firefighters' Pension Board

Contact:

Paul Hodgson, on behalf of the Clerk to the Authority,

[paul.hodgson@hants.gov.uk](mailto:paul.hodgson@hants.gov.uk)



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

Purpose: Approval

Date: 10 February 2021

Title: **TERMS OF REFERENCE FOR HIWFRA FIREFIGHTERS' PENSION BOARD AND MEMBERSHIP OF THE BOARD**

Report of Committee Clerk

### SUMMARY

1. This report seeks approval for the Terms of Reference of the Firefighters' Pension Board for the new Combined Fire Authority of Hampshire and the Isle of Wight (HIWFRA) which will come into effect from the 1 April 2021.
2. This report also seeks approval of the membership of the HIWFRA Firefighters' Pension Board from the 1 April 2021 and for appropriate appointments to be made.

### BACKGROUND

3. Firefighters' Pensions Boards became mandatory from April 2015, and as such both Hampshire Fire and Rescue Authority and Isle of Wight Fire and Rescue Authority took steps to establish a local Pension Board in respect of the Firefighters Pension Scheme. Under combination there is the requirement to have one Pension Board for the new combined authority from 1 April 2021.
4. There is a requirement that the HIWFRA Firefighters' Pension Board has Terms of Reference, and the proposed Terms of Reference for the HIWFRA Firefighters' Pension Board are attached at Appendix A. Approval is sought from the Shadow Authority for these proposed Terms of Reference.
5. In relation to membership of the HIWFRA Firefighters' Pension Board, a number of different options were reviewed and brought to the 8 October 2020 HFRA Firefighters' Pension Board for consideration with a view to

incorporating Isle of Wight representation in the HIWFRA Firefighters' Pension Board. HFRA currently has six Pension Board Members, three Employer Representatives, and three Scheme Member Representatives. (There is a requirement in the legislation to have an equal number of employer and scheme member representatives).

6. The IOW Fire and Rescue Authority currently has four Board Members, the two Employer Representatives are Elected Members, and the two Scheme Member Representatives are serving firefighters. It was felt that the best way forward would be to contact both of the Scheme Member Representatives to see if one of them would be willing to become an Employer Representative as both wished to continue serving on the Pension Board. This approach was endorsed by the HFRA Firefighters' Pension Board and approval is sought from the Shadow Authority to enable the necessary appointments to be made as follows for a four-year term and in accordance with the proposed Terms of Reference (Appendix A):

<b>Employer Representatives:</b>	<b>Scheme Member Representatives:</b>
Stew Adamson	Richard North
Cllr Roger Price	Richard Scarth
Dan Tasker	Mark Hilton
Sean Harrison	Ross Singleton

#### LEGAL IMPLICATIONS

7. It is a requirement to have a local Pension Board of the HIWFRA.

#### PEOPLE IMPACT ASSESSMENT

8. The proposals in this report are considered compatible with the provisions of equality and human rights legislation.

#### OPTIONS

9. The Shadow Authority is asked to approve the proposed Terms of Reference and make the appointments for the reasons outlined in the report above.

RECOMMENDATIONS

10. That the Shadow Authority approve the proposed Terms of Reference for the HIWFRA Firefighters' Pension Board as set out at Appendix A.
11. That the Shadow Authority approve the membership of the HIWFRA Firefighters' Pension Board, as set out in Section 6 of the report and appoint the representatives set out in paragraph 7 above for 4 year terms, in accordance with the HIWFRA Firefighters' Pension Board Terms of Reference as set out at Appendix A.

APPENDICES ATTACHED

12. **Appendix A – proposed Terms of Reference**

Contact:

Paul Hodgson, on behalf of the Clerk to the Authority,

paul.hodgson@hants.gov.uk

This page is intentionally left blank

# Terms of Reference for the Pension Board of the Hampshire and Isle of Wight Firefighter's Pension Scheme

## 1 Introduction

- 1.1. Hampshire and Isle of Wight Fire and Rescue Authority (HIWFRA) has established a Pension Board in accordance with the requirements of the Public Service Pension Act 2013.

## 2 Role and Powers of the Hampshire and Isle of Wight Firefighter's Pension Board

- 2.1. The role of the Board is to:
- Assist HIWFRA as the administering authority of the Hampshire and Isle of Wight Firefighter's Pension Scheme (HIWFFPS):
    - to secure compliance with the Firefighter's Pension Scheme (FFPS) Regulations and any other legislation relating to the governance and administration of the FFPS.
    - to secure compliance with requirements imposed in relation to the FFPS by the Pensions Regulator.
  - To ensure the effective and efficient governance and administration of the HIWFFPS by the Authority.
  - To consider how discretionary and other pension related issues are being addressed from an operational viewpoint.
  - To present an annual report to the Authority on the exercise of its functions.
- 2.2. The Board shall have the power to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions.

## 3 Members of the Hampshire and Isle of Wight Firefighter's Pension Board

- 3.1. The Board shall initially consist of 8 members and be constituted as follows:
- 4 employer representatives;
  - 4 scheme member representatives;
- 3.2. The Chairman of the Board will be elected by the Board, from amongst its number at the first meeting of the Board following the Annual General Meeting (AGM) of the HIWFRA in each year. Should the Board meet prior to the AGM in 2021, the Chairman will be elected by the Board, from amongst its number at its inaugural meeting, until the first meeting of the Board after the AGM in 2022.

- 3.3. With regard to 3.4, the Vice Chairman of the Board will be elected by the Board from amongst its number at the first meeting of the Board following the Annual General Meeting (AGM) of the HIWFRA in each year. Should the Board meet prior to the AGM in 2021, the Vice-Chairman will be elected by the Board, from amongst its number at its inaugural meeting, until the first meeting of the Board after the AGM in 2022.
- 3.4. If the Chairman is a scheme member representative then the Vice Chairman will be an employer representative and vice versa.
- 3.5. The employer representatives will be appointed by the Authority at any time during the year.
- 3.6. Scheme member representatives will be appointed by the Authority, at any time during the year, in accordance with the recruitment policy agreed by the relevant Committee with responsibility for Scheme Management. They must be active, deferred or pensioner members of the FFPS. Where possible, and subject to suitable applications being received, scheme members will be appointed from both the Hampshire and Isle of Wight geographical areas.
- 3.7. The term of office of the Chairman and Vice Chairman will be one year, but either can be re-elected by the Board up to a maximum of four years.
- 3.8. Each employer representative and scheme member representative so appointed shall serve for a fixed four-year period which can be extended for a further period of four years.
- 3.9. Employer representatives and scheme member representatives will remain as members of the Board during their appointed term of office unless they become incapable of acting, cease to represent their constituency, resign by giving written notice to the Chairman of the HIWFRA or are removed from the Board pursuant to Paragraph 4 of the Board's Code of Conduct.
- 3.10. Employer representatives and scheme member representatives may also be removed from office during their term of appointment by a majority decision of a quorate meeting of the HIWFFPS Board if they do not comply with the requirements of paragraph 3.9. The removal of any Board member also requires the agreement of the HIWFRA.
- 3.11. Each Board member should endeavour to attend all Board meetings during the year and is required to attend at least half of the meetings held in each year.

#### **4 Quorum**

- 4.1. Half of the members of the Board will represent a quorum for Board Meetings.
- 4.2. In the absence of both the Chairman and the Vice-Chairman the members of the Board shall appoint a Chairman for that meeting who shall while presiding have any power or duty of the Chairman in relation to the conduct of the meeting.

#### **5 Advisers to the Board**

- 5.1. The Board will be supported in its role and responsibilities by officers of the HIWFRA and it will consult with such officers to help better perform its duties. In the event that specialist professional advice is not available from the officers of the HIWFRA then the Board may ask the Chief of Staff to seek independent professional advice through the appointment of advisers on their behalf, subject to financial and legal considerations.

## **6 Knowledge and Skills**

- 6.1. A member of the Board must be conversant with:
- The legislation and associated guidance of the FFPS.
  - Any document recording policy about the administration of the FFPS which is for the time being adopted by the HIWFRA.
- 6.2. A member of the Board must have knowledge and understanding of:
- The law relating to pensions, and
  - Any other matters which are prescribed in regulations.
- 6.3. A member of the Board representing employers or scheme members must have the relevant experience and capacity to represent employer and scheme members respectively on the Board.
- 6.4. Notwithstanding the requirements set out above, it is anticipated that training will be given to Board Members to help them fulfil their role and to keep them updated on changes in the FFPS.

## **7 Board Meetings**

- 7.1. Meetings of the Board will be conducted in accordance with the Standing Orders of the HIWFRA and for all purpose including but not limited to notice of meetings, publication of agendas and reports, recording and publication of minutes of meetings and consideration of urgent items meetings of the Board shall be treated as if they were a meeting of a Committee of the HIWFRA.
- 7.2. There will be a minimum of two Board meetings a year and the Chairman of the Board, with the consent of the Board may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone or video conferencing and e-mails.

## **8 Voting**

- 8.1. Each member of the Board will have an individual vote and items will be decided by a simple majority of members attending the meeting but it is expected the Board will as far as possible reach a consensus. The Chairman shall determine when consensus has been reached.
- 8.2. Where consensus is not achieved, this should be recorded by the Chairman who shall then have a casting vote.
- 8.3. In support of its core functions, the Board may make a request for information from the Scheme Manager, with regard to any aspect of the scheme manager's function. Any such request should be reasonable and complied with in both scope and timing.
- 8.4. In support of its core functions the Board may make recommendations to the Scheme Manager which should be considered and a response made to the Board on the outcome within a reasonable period of time.

## **9 Standards of Conduct**

- 9.1. The role of Board members requires the highest standards of conduct and therefore the 'seven principles of public life' apply to all Board members, these are:
  - Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty
  - Leadership
- 9.2. The Code of Conduct for Board Members set out in Annex A shall apply to all members of the Board. Members of the Board who are also a member of other authorities also remain bound by the Member's Code of Conduct of their own authority.

## **10 Publication of Pension Board Information**

- 10.1. Up to date information will be posted on the Authority's website showing:
  - The names and information of the Board members.
  - How the scheme members are represented on the Board.
  - The responsibilities of the Board as a whole.
  - The full terms of reference and policies of the Board and how they operate.
  - The Board appointment process.
  - Who each individual Board member represents.
  - Any specific roles and responsibilities of individual Board members.

## 11 Accountability

- 11.1. The Board will be collectively and individually accountable to the relevant Committee with responsibility for Scheme Management and the Authority.

## 12 Reporting Breaches

- 12.1. Any potential or actual Breach that comes to the attention of the Board shall be dealt with in accordance with the Protocol for Reporting Breaches agreed from time to time between the Board and the Authority.

## 13 Expense Reimbursement

- 13.1. No basic allowance is payable to Board members although employer and scheme member representatives shall be entitled to claim Travelling Allowances on the terms set out in the then current Member's Allowance scheme, or HFRS employees scheme as appropriate.

## 14 Definitions

- 14.1. The undernoted terms shall have the following meaning when used in this document:

<i>Breach</i>	Means non-compliance with a duty relevant to the administration of the FFPS which is likely to be of material significance to the Pensions Regulator in the exercise of any of its functions
<i>'Hampshire and Isle of Wight Firefighter's Pension Board', 'Fire Pension Board', 'Pension Board' or 'Board'</i>	Means the Pension Board of Hampshire and Isle of Wight Fire and Rescue Authority for the Hampshire and Isle of Wight Firefighter's Pension Scheme as required under the Public Service Pensions Act 2013.
<i>'HIWFFPS', 'FFPS' or 'Regulations'</i>	The Firefighter's Pension Scheme as constituted by the Firefighter's pension scheme 1992, as amended, the Firefighter's Pension Scheme 2006, as amended and the Firefighter's Pension Scheme Regulations 2014 as amended.

'Scheme'	Means the Firefighter's Pension Scheme as defined under 'HIWFFPS' above.
'Scheme Member'	Means active, deferred or pensioner members of the Firefighter's Pension Scheme

## 15 Interpretation

- 15.1. Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Authority's Monitoring Officer.

DRAFT

# Code of Conduct for Members of the Hampshire and Isle of Wight Firefighter's Pension Board Members

## 1. Introduction

This Code of Conduct for the Hampshire and Isle of Wight Firefighter's Pension Board has been adopted by the HIWFRA pursuant to its statutory duty to appoint a Pension Board for the HIWFFPS.

This Code applies to members of the Hampshire and Isle of Wight Firefighter's Pension Board when acting in their capacity as members of the Board. For the avoidance of doubt, members of the Board who are also members of other authorities also remain bound by the Member's Code of Conduct of their own authority.

This Code is based on and is consistent with the principles of;

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty and
- Leadership

## 2. Obligations of Members of the Board

As a Member of Hampshire and Isle of Wight Firefighter's Pension Board, your conduct will address the principles of the Code of Conduct by:

- a. Not allowing other pressures, including the financial interests of yourself or others connected to you, to deter you from pursuing the interests of the HIWFFPS, or the good governance of the HIWFFPS in a proper manner.
- b. Exercising independent judgement and not compromising your position by placing yourself under obligations to outside individuals or organisations who might seek to influence the way you perform your duties.
- c. Listening to the interests of all parties, including relevant advice from statutory and other professional officers of the HIWFRA (or those acting on their behalf), taking all relevant information into consideration, remaining objective and making decisions on merit.

- d. Being accountable for your decisions and co-operating when scrutinised internally and externally.
- e. Contributing to making the Board's decision-making processes as open and transparent as possible.
- f. Restricting access to information when the wider public interest, the Board's Terms of Reference or the law requires it.
- g. Valuing your colleagues and Officers of the HIWFRA and engaging with them in an appropriate manner.
- h. Always treating all people with respect and propriety.

### **3. Conflicts of Interest**

- a. No member of the Board may participate in any business of the Board if they have a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board (this does not include a financial or other interest arising merely by virtue of membership of the Scheme or any connected Scheme) ('Conflict of Interest').
- b. All Board members must before becoming a member of the Board declare any potential Conflict of Interest to the Monitoring Officer of the HIWFRA.
- c. After appointment all Board members must within 14 days of becoming aware of any new potential Conflict of Interest declare that potential Conflict of Interest to the Monitoring Officer of the HIWFRA.
- d. A member of the Board must at any time provide the Monitoring Officer of the HIWFRA with such information as he or she requires for the purpose of establishing whether or not the Board member has a Conflict of Interest.
- e. A Board member should disclose any Conflict of Interest in any business of the Board either at the commencement of the meeting, the commencement of the consideration of the item or when the Conflict of Interest becomes apparent.
- f. If a Board member has a Conflict of Interest in any business of the Board then that Member may not participate in any discussion of, vote on or discharge any function in relation to the matter. In addition, the Board member should withdraw from the room where the meeting is being held.

#### **4. Non-Compliance with the Code of Conduct**

Any alleged non-compliance with this Code of Conduct shall be referred to the relevant Committee with responsibility for Scheme Management for consideration. In the event that the Committee find that a member of the Board has failed to comply with the provisions of this Code then the Committee may determine that the Member is to immediately cease to be a member of the Board or take such other action as the Committee regard as appropriate. This can include but is not limited to requiring the member to apologise or requiring the member to undertake such training as they feel is appropriate.

DRAFT

This page is intentionally left blank



**HAMPSHIRE  
FIRE AND  
RESCUE  
AUTHORITY**

## **HFRA FIREFIGHTERS' PENSION BOARD**

Purpose: Noted

Date **27 January 2021**

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

Report of Chief Finance Officer

### SUMMARY

1. This report, together with attachments, provides the framework for the 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 report. The bulletins are emailed out to a variety of contacts but can also be accessed via the [www.fpsregs.org](http://www.fpsregs.org) website.
3. FPS Bulletins 37 to 40 can be found in APPENDICES A to D. There is a lot of information contained within these bulletins; the key items are set out below.

### IMMEDIATE DETRIMENT INFORMATION REQUEST (BULLETIN 37)

4. The SAB wanted to understand what percentage of the FPS 2015 membership within the Immediate Detriment category are likely to be affected by complicating factors such as divorce or transfers, this is because there is no guidance and policy intention is not known for these areas.
5. The SAB sought information on the number of members who are likely to become eligible for Immediate Detriment between now and March 2022. This information was to be split between claimants and non-claimants.
6. The table below shows the numbers for Hampshire Fire & Rescue Authority as at 6 October 2020.

Type	Claimants	Non-Claimants	CETV	Divorce	Final salary data unavailable	Added Pension
<b>Ill-Health</b>						
No ill-health pension in payment because 2015 scheme lower ill-health criteria not met	0	0	0	0	0	0
<b>Immediate retirements</b>						
Reach age 55 with less than 30 yrs service before 31 March 2022	0	0	0	0	0	0
Reach 30 yrs service before 31 March 2022	2	23	0	0	0	0
Reach 25 yrs + service and over age 50 by 31 March 2022	0	30	0	0	0	0
	2	53	0	0	0	0

### INCREASE IN MINIMUM PENSION AGE (BULLETIN 37)

7. On 3 September 2020, in an answer to a Parliamentary question, the Government confirmed that it still plans to increase the minimum pension age from 55 to 57 in 2028 and will legislate in due course.
8. This change will apply to all schemes, aside from those in the public sector that do not link their normal pension age to State Pension Age, namely Firefighters, Police and Armed Forces.

### SAB LEVY 2020-21 (BULLETIN 37- 40)

9. In 2014, FRAs entered a shared arrangement to fund a technical adviser post to support FRAs with their understanding and management of the Firefighters Pension Schemes. The employers' voluntary subscription is included in the final levy.
10. The total levy for the 2020-21 year will be £8.29 per firefighter, which is calculated at £6.20 for the SAB and £2.09 for employers.
11. This levy is important to ensure that we continue to receive support and information from the LGA which helps to achieve a national consistency.

### PROTECTED PENSION AGE (BULLETIN 39)

12. Members retiring under the age of 55 with a pension from the 1992 Fire Pension Scheme have a Protected Pension Age (PPA), meaning that they need to have a one month break before being re-employed to retain their PPA. The purpose of PPA and the gap is so that the member does not face tax charges of potentially up to 70% of their lump sum and annual pension.
13. Between 1 March 2020 and 1 November 2020, HMRC eased the tax rules around PPA where a re-employment was in relation to Covid-19. The easement meant that a firefighter fulfilling the criteria, would not need to have

a one month gap to retain their PPA. HMRC have confirmed that there are no plans to extend this easement beyond 1 November 2020.

#### COMPENSATION SCHEME – QUALIFYING INJURY (BULLETIN 39)

14. The Home Office were asked to provide clear assurances that any firefighter who dies of Covid-19 will be recognised as having died from a qualifying injury. The Home Office have confirmed the following statement:

“The Home Office is unable to provide such assurances as this would interfere with the established legal process for determining an entitlement to awards payable under the Compensation Scheme and may set unhelpful future precedents. The responsibility for making such decisions rests with the employing FRAs, who are best placed to consider the relevant facts in each case.

FRAs should note that the IQMP guidance for the firefighters’ pension schemes and compensation scheme clearly sets out the processes that employers should follow when making a decision on scheme members’ ill-health / injury / death entitlements. Paragraph 3.27 of the guidance sets out that when a case is being referred to an IQMP the employing FRA should state whether or not they accept that the injury / death being considered should be treated as a qualifying injury. This process allows employing FRAs to provide their views on whether any firefighter’s death should be treated as a qualifying injury. As explained above, employing FRAs are best placed to consider the detailed facts in each case in order to make these decisions.”

#### RECOMMENDATION

15. The Board are asked to note the contents of this report.

#### APPENDICES ATTACHED

16. APPENDIX A - [FPS Bulletin 37 September 2020](#)  
17. APPENDIX B - [FPS Bulletin 38 October 2020](#)  
18. APPENDIX C – [FPS Bulletin 39 November 2020](#)  
19. APPENDIX D - [FPS Bulletin 40 December 2020](#)

Contact:

Claire Neale, Employer Pension Manager, [claire.neale@hants.gov.uk](mailto:claire.neale@hants.gov.uk),  
0370 779 2790

This page is intentionally left blank



## FPS Bulletin 37 – September 2020

Welcome to issue 37 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well.

Although restrictions on travel and social distancing are gradually easing, face-to-face meetings and training remain suspended for the time being. However, the Bluelight team are available at home by mobile, email or video (MS Teams, Skype, or Zoom).

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 or suggested items for future issues, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk).

## Contents

<b>Calendar of events</b>	<b>3</b>
<b>FPS</b>	<b>3</b>
Home Office immediate detriment note update	3
Website and resources update	4
September query log	4
<b>FPS England SAB updates</b>	<b>5</b>
Template Pension Administration Strategy consultation response	5
Immediate detriment request for information	5
<b>Other News and Updates</b>	<b>6</b>
LGPS SAB draft McCloud response published	6
Update on the single TPR Code of Practice	6
Government confirms intention to increase minimum pension age	6
<b>Events</b>	<b>7</b>
FPS AGM 22 and 23 September 2020 – event summary	7
FPS coffee mornings	8
<b>HMRC</b>	<b>8</b>
HMRC newsletters/bulletins	8
<b>Useful links</b>	<b>9</b>
<b>Contact details</b>	<b>9</b>
<b>Copyright</b>	<b>9</b>
<b>Disclaimer</b>	<b>9</b>

## 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 [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

Table 1: Calendar of events

Event	Date
<a href="#">FPS coffee and catch up</a>	Every second Tuesday from 1 September 2020
South East regional FPOG	5 October 2020
Fire Finance Network conference	7-8 October 2020
Midlands regional FPOG - TBC	12 October 2020
Eastern regional FPOG	19 November 2020
SAB	10 December 2020

## FPS

### Home Office immediate detriment note update

We commented in [FPS Bulletin 36 – August 2020](#) on the [immediate detriment note](#) issued by the Home Office. We understand that the department will not be able to provide a response to the queries we have raised until October. However, in the meantime, we appreciate that FRAs are being encouraged to progress cases under the terms of the note.

We are working on providing further clarity to FRAs in three areas.

#### 1. Legal status of the note.

We are seeking legal advice on behalf of FRAs including application to claimants and non-claimants, any consequences arising from incorrect payment of benefits, and any resulting unintended discriminatory treatment.

We understand that the Home Office and HMT are relying on Section 61 of the Equality Act to provide legal underpinning to the note for non-claimants. That power is currently being contested in the FRA's appeal under Schedule 22 of the same act, in which they argue that they were required by law to follow the pension regulations and so had no choice but to implement the transitional protections for older firefighters.

## 2. A general information note on the key issues.

We have drafted a note to provide additional information to FRAs on the key considerations of implementing the Home Office informal guidance.

This includes the legal considerations detailed above, the position of employer contributions, which we believe Home Office to be discussing with HMT, technical queries raised, and areas where we believe a policy steer would be helpful to enable more accurate payments to be made.

## 3. Support for practitioners, to include:

- 3.1. Supporting FRAs to evidence robust decision making on whether a case can proceed under the current guidance, and if not, why not;
- 3.2. Working with the [Fire Communications Working Group](#) to provide a consistent template on how a member may be provided with a choice and what this should include, using [documentation provided to support choice in 2006](#) as a guide;
- 3.3. Working with administrators to provide example calculations to assist with bringing benefits into payment where the guidance is not explicit.

The information note is currently being reviewed and will be issued as soon as possible.

## Website and resources update

We have added the following page to the member-restricted section of the Firefighters' Pension Schemes Regulations and Guidance website this month:

[HMRC CLM queries](#). The page has been created to hold technical queries submitted to HMRC regarding the application of tax to the Firefighters' Pension Scheme.

If you require log-in details for this area, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## September query log

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

We have not added any new queries this month.

## FPS England SAB updates

### Template Pension Administration Strategy consultation response

The SAB secretariat published a consultation on 30 June 2020 seeking views on the introduction of a [template pension administration strategy](#). The consultation closed on 31 August.

The consultation received 15 responses in total: twelve from Fire and Rescue Authorities (FRAs) and three from scheme administrators.

The detailed consultation response can be read at [Appendix 1](#). One response was received late and is still to be incorporated into the document.

The strategy will be reviewed based on the responses to the consultation and any necessary amendments made. The organisations who responded to the consultation will be invited to comment on the revisions to ensure that their views have been suitably reflected.

### Immediate detriment request for information

The SAB note the immediate detriment guidance issued by the Home Office and wish to encourage the payment of pensions to eligible members.

The SAB also want to understand what percentage of the FPS 2015 membership within the immediate detriment category are likely to be affected by complicating factors, such as divorce or transfers.

The Board are seeking information similar to that requested in [FPS Bulletin 28 - January 2020](#) on the number of members who are likely to become eligible for immediate detriment between now and 31 March 2022. This should include:

- Any member refused ill-health retirement under the FPS 2015 as the lower ill-health criteria was not met.
- 1992 transition members of FPS 2015 who reach age 55 before 31 March 2022.
- 1992 transition members of FPS 2015 who reach 30 years' service before 31 March 2022.
- 1992 transition members of FPS 2015 who will have 25 years+ service and be over 50 by 31 March 2022.

The Board request that you complete the information sheet at [Appendix 2](#) by 31 October 2020. Please note that clicking the link downloads an Excel spreadsheet.

## Other News and Updates

### LGPS SAB draft McCloud response published

FRAAs will have employees who are members of the Local Government Pension Scheme (LGPS). As the LGPS is a funded scheme and members within 10 years of retirement at 2012 were protected in a different way, the Ministry of Housing, Communities & Local Government (MHCLG) are consulting separately on changes to address age discrimination. The consultation closes on 8 October 2020.

On 28 September 2020, the LGPS SAB published [a draft version of its response to the McCloud consultation](#).

You are welcome to use the content to help with your own responses. The LGA will not be submitting a separate response.

### Update on the single TPR Code of Practice

On 1 September 2020, the Pensions Regulator (TPR) confirmed that it now intends to launch the formal consultation on a single Code of Practice in late 2020 or early 2021.

TPR provides [15 codes of practice](#), covering topics such as early leavers, internal controls and governance and administration of public service pension schemes.

In July 2019, TPR confirmed, in a statement on its website, that it planned to review and combine the content of the 15 codes to form a single, shorter code. The statement originally set out plans to launch a consultation later in 2019.

### Government confirms intention to increase minimum pension age

In [an answer to a parliamentary question](#) on 3 September 2020, the Government confirmed that it still plans to increase the minimum pension age from 55 to 57 in 2028 and will legislate in due course.

The Government confirmed in 2014 in [its response to the consultation 'Freedom and choice in pensions'](#) that it intends to increase the minimum age from 55 to 57 in 2028 and that the change will apply to all schemes, aside from those in the public sector that do not link their normal pension age to State Pension age, namely Firefighters, Police and the Armed Forces.

## Events

### FPS AGM 22 and 23 September 2020 – event summary

We were delighted to offer our fire pensions annual conference in a virtual format this year. In long-standing tradition, the event was preceded by a meeting of the regional chairs, followed by the technical community.

Day 1 had a governance focus and following a brief introduction from the [new chair of the England Scheme Advisory Board](#), Joanne Livingstone, we were pleased to welcome Nick Gannon from TPR. Nick delivered an in-depth session on breaches of the law – considering the who, how, what, and when of recording and reporting. During the Q&A after the presentation, Nick highlighted the administrative challenges of implementing remedy and the importance of good data and communication.

[Please view the AGM 2020 day 1 presentations here.](#)

We were back online for the full technical/ administration AGM on day 2, with a full roster of guest speakers.

Joanne Livingstone welcomed approximately 100 delegates from across the FPS sector, with a more detailed introduction to herself and the role of the SAB. Joanne highlighted that the Board will seek to provide assurance rather than reassurance to stakeholders and continue to operate in a role of scrutiny and engagement on an evidence basis during her four-year term.



Senior pension adviser, Clair Alcock, then took to the “stage” to give an update from the Bluelight team at the LGA. In an event dedicated to remedy, Clair was not afraid to address the elephant in the room and provided a brief recap on the background to the age-discrimination case and the HM Treasury consultation proposals. The session concluded with a quick look at projects on the horizon.

Des Prichard, chair of the [SAB administration and benchmarking committee](#), led the last morning session with an update on the work of the committee. In particular, the session focused on the draft template administration strategy and the future of scheme administration and management. Des was keen to promote the importance of replying to SAB-issued consultations and surveys in order for the Board to deliver improvements to the sector.

[Click here to return to Contents](#)

After a brief pause for refreshment, we welcomed guest speakers from Eversheds Sutherland and the Government Actuary's Department, to provide our regular case law update and information about the FPS valuation and cost-cap, respectively.

Peter Spreadbury from the Home Office joined us to outline how the department intended to engage with stakeholders in dealing with remedy. Peter emphasised the importance of taking a professional, constructive, and forward-looking approach to working together and noted a commitment to working with stakeholders to reach a lasting resolution.

Delegates were then "zoomed" randomly into one of three breakout rooms to take part in an interactive workshop session. The workshops looked at themes underpinning the delivery of remedy, including [technical issues](#), [data](#), and [communications](#). After a 45-minute discussion, participants returned to the main room to hear feedback from each of the sessions.

[Please view the AGM 2020 day 2 presentations here.](#)

As always, we would like to thank all presenters and delegates for their participation and support. We have received some great feedback from the event and hope that we will be able to host next year's AGM live and in person in London.

### **FPS coffee mornings**

We are continuing to run our MS Teams coffee mornings every second Tuesday while social distancing measures remain in place. These 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.

The next event is scheduled to take place on 13 October 2020.

If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) and we will add you to the invite list for the sessions.

## **HMRC**

### **HMRC newsletters/bulletins**

HMRC has published the following newsletter containing important updates and guidance on pension schemes:

#### [Pension schemes newsletter 124 – 29 September 2020](#)

- Temporary changes to pension processes as a result of coronavirus (COVID-19)
- Relief at source
- Managing Pension Schemes service

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khuf 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](#)
- [LGPS member site](#)

## Contact details

### **Clair Alcock (Senior Pension Adviser)**

Telephone: 020 7664 3189

Email: [clair.alcock@local.gov.uk](mailto:clair.alcock@local.gov.uk)

### **Kevin Courtney (NPCC Pensions Adviser)**

Telephone: 020 7664 3202

Email: [kevin.courtney@local.gov.uk](mailto:kevin.courtney@local.gov.uk)

### **Claire Hey (Firefighters' Pension Adviser)**

Telephone: 020 7664 3205

Email: [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

## Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

## Disclaimer

The information contained in this bulletin has been prepared by the Bluelight Pensions team, part of the Local Government Association (LGA). It represents the views of the team and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this bulletin.

[Click here to return to Contents](#)

While every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring any perceived errors or omissions to the attention of the Bluelight team by emailing [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).



## FPS Bulletin 38 – October 2020

Welcome to issue 38 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended for the time being due to restrictions on travel and social distancing. However, the Bluelight team are available at home by mobile, email or video (MS Teams, Skype, or Zoom).

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 or suggested items for future issues, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk).

## Contents

<b>Calendar of events</b>	<b>3</b>
<b>Actions arising</b>	<b>3</b>
<b>FPS</b>	<b>3</b>
Age discrimination consultation responses	3
Immediate detriment information note	4
Special Members of FPS 2006 - Second options exercise	4
Scheme sanction charge	5
Medical retirement IQMP certificates	5
Fire and Rescue workforce and pensions statistics published	6
Website and resources update	6
October query log	7
<b>FPS England SAB updates</b>	<b>7</b>
Immediate detriment request for information - reminder	7
SAB levy 2020-21 update	7
<b>Other News and Updates</b>	<b>8</b>
Restriction of exit payments in the public sector	8
Public Service Pensions GMP indexation consultation	8
Update on TPR scheme return 2019-20	8
TPO factsheet: Complaining to TPO on behalf of a deceased's estate	9
Pensions Dashboard Programme update	9
<b>Events</b>	<b>9</b>
Local Pension Board virtual training	9
FPS coffee mornings	9
<b>HMRC</b>	<b>9</b>
HMRC newsletters/bulletins	9
<b>Legislation</b>	<b>10</b>
<b>Useful links</b>	<b>10</b>
<b>Contact details</b>	<b>10</b>
<b>Copyright</b>	<b>10</b>
<b>Disclaimer</b>	<b>11</b>

## 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 [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

Table 1: Calendar of events

Event	Date
<a href="#">FPS coffee and catch up</a>	Every second Tuesday from 3 November 2020
Eastern regional FPOG	19 November 2020
SAB	10 December 2020
North East regional group	17 February 2021
SAB	11 March 2021
SAB	24 June 2021
SAB	9 September 2021
SAB	9 December 2021

## Actions arising

Readers are asked to note the following actions arising from the bulletin:

[Immediate detriment request for information](#): FRAs in England to submit numbers of members who qualify for immediate detriment.

## FPS

### Age discrimination consultation responses

Between 16 July and 11 October 2020, HM Treasury (HMT) consulted on changes to the transitional arrangements of the unfunded public service pension schemes introduced in 2015.

On 9 October, responses were submitted by the LGA and Scheme Advisory Board (SAB). These responses can be found on our dedicated [age discrimination remedy webpage](#), along with the submissions from the Wales and Scotland SABs.

### **Immediate detriment information note**

We advised in [FPS Bulletin 37 – September 2020](#) that we had drafted a note to provide additional information to FRAs on the key considerations on implementing the Home Office informal guidance on immediate detriment.

The [LGA immediate detriment information note](#) and accompanying [template matrix](#) have now been published and can be found on the [Age Discrimination Remedy \(Sargeant\) page](#).

Please note that each FRA's nominated contact for the Sargeant litigation will have further information in order to inform your authority's approach to immediate detriment cases. This is for reasons of legal privilege. Please ensure that you liaise with the nominated contact for your FRA before taking any action.

### **Special Members of FPS 2006 - Second options exercise**

We understand stakeholders are keen to receive updates on the expected second special members options exercise, sometimes referred to as Matthews or O'Brien. While at this stage we cannot provide more definitive information, we have published a new [special members factsheet](#) which provides a brief background on the introduction of special members and comments on the expectations of a second exercise.

Special members were introduced to the Firefighters' Pension Scheme 2006 (FPS 2006) in 2014, following [Matthews v Kent and Medway Towns Fire Authority \[2006\] UKHL 8](#) which allowed retained firefighters employed between 1 July 2000 and 5 April 2006 to join the FPS 2006 with retrospective effect to 1 July 2000.

Following the [European Court of Justice's decision in O'Brien v Ministry of Justice](#) which is a case concerning [fee paid judges in the Judicial Pension Scheme](#), the UK Government have recognised the right for retained firefighters employed before 1 July 2000 to elect to become a special member from the start date of their employment.

This will necessitate a second options exercise, for which legal discussions have commenced between central government, the LGA on behalf of FRAs and trade union legal representatives to consider who is in scope and the details of the settlement exercise.

Regulations for England will be drafted and consulted on following the conclusion of the legal discussions. It is expected further regulations and consultations for the devolved governments will follow later. Unfortunately, no timescales are known at this stage.

There is no further action needed at this time by FRAs or their administrators.

## Scheme sanction charge

From time to time we have been asked to clarify who pays the [scheme sanction charge](#) on an unauthorised payment. We can confirm that this is the responsibility of the Fire and Rescue Authority as [sub scheme administrator](#). Further we can confirm that:

- There is no provision to deduct the scheme sanction charge from the member, unless the scheme rules provide for it which the FPS does not, and
- The scheme sanction charge is payable from the operating account and is **not** chargeable to the notional pension fund.

More information on frequently asked questions for scheme sanction charge can be found under *Unauthorised payments* in the technical queries log published monthly on the [technical queries page](#).

## Medical retirement IQMP certificates

We have been receiving an increased level of enquiries related to medical retirement certificates for use by IQMPs.

Medical retirement is leaving employment from the FRA under either ill-health retirement or injury. Ill-health retirement can and often does occur on its own. Injury retirement occurs due to a direct result of the firefighter's work and will always also trigger ill-health retirement.

An injury pension is paid under the regulations of the [Firefighters' Compensation Scheme 2006](#) (FCS 2006). The amount of benefit payable does not depend on what pension scheme the member may be in, however, it will be calculated in reference to the service attributable to the employment in which the injury is received.

Ill-health retirement occurs under the pension scheme rules, and benefits may be different depending on the pension scheme the member is in:

- Firefighters' Pension Scheme 1992 (FPS 1992)
- Firefighters' Pension Scheme 2006 - Standard and Special members (FPS 2006)
- Firefighters' Pension Scheme 2015 (FPS 2015)

Which ill-health form to use is not laid down in legislation, subsequently it is for FRAs to satisfy themselves that the forms meet the requirements of the legislation and that the IQMP has answered the relevant questions.

In 2009, following meetings of an [ill-health review group](#), a form was developed that brought together the requirement to consider redeployment as a result of the [Marrion case](#), and the different rules and eligibility for FPS 1992, FPS 2006 and FCS 2006.

In 2015, following feedback that the forms were unwieldy to use and had led to errors of interpretation the forms were simplified and separated across the schemes. The new forms considered the questions for IQMPs only and did not try to give guidance on employment considerations.

Those forms are held on the password-protected [ill-health and injury webpage](#) and **must** be downloaded each time to ensure the most recent version of the form is being used.

Each approach to the forms has pros and cons and the SAB are considering a programme of work to ensure that more resources and information about medical retirement are readily available to FRAs and members. More detail can be found in the [minutes of the SAB meeting of 13 June 2019](#).

This work may take some time and may be impacted by the Court findings in the age discrimination case known as Sargeant and the resulting [HMT consultation on age discrimination](#) in public service schemes.

In the short term we are drafting a short summary factsheet on medical retirement issues and will be making some changes to the forms. We will advise a timescale for this work in the next bulletin.

### **Fire and Rescue workforce and pensions statistics published**

The Home Office published [workforce and pensions statistics](#) for Fire and Rescue Services (England) on 22 October 2020. The pension scheme statistics, covering April 2019 to March 2020, reflect data returns on income, expenditure and membership submitted by all 45 FRAs in England.

Some key results:

- Firefighters' Pension Scheme expenditure in 2019-20 was around £908 million.
- In 2019-20, 80 per cent of expenditure was "recurring outgoing payments" and 19 per cent was "commutation payments". "Transfers" and "miscellaneous expenditure" totaled less than 1 per cent
- Firefighters' Pension Scheme income in 2019-20 was around £387.5 million.
- Employer contributions nearly doubled from £135 million in 2018-19 to £260 million in 2019-20 as a result of changes to the discount rate set by HM Treasury from April 2019.
- In 2019-20, 67 per cent of income was "employer contributions", 30 per cent was "employee contributions" and the remaining 3 per cent comprised transfers, miscellaneous income and ill-health charges.
- The Firefighters' Pension Scheme deficit in 2019-20 was around £520 million.
- As at 31 March 2020, the total number of pensioner members was 46,228. Of these, 94 per cent were members of FPS 1992.

### **Website and resources update**

We have added the following page to the Firefighters' Pension Schemes Regulations and Guidance website this month:

[Consultations](#). This page has been created to hold consultations on the FPS and wider public service pension schemes.

[Click here to return to Contents](#)

The following factsheets for members have been updated for the current financial year by the LGA Bluelight team in collaboration with the Fire Communications Working Group (FCWG) and are available from the website:

[Annual Allowance](#)

[Topping up your State Pension](#)

### October query log

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey shaded to differentiate from new items. New queries have been added under the following categories: compensation scheme, ill-health retirement, Protected Pension Age, and salary sacrifice (updated).

## FPS England SAB updates

### Immediate detriment request for information - reminder

In [FPS Bulletin 37 – September 2020](#), the SAB asked for information on the number of members who are likely to become eligible for payment of benefits under the terms of the [Home Office immediate detriment note](#). This includes:

- Any member refused ill-health retirement under the FPS 2015 as the lower ill-health criteria was not met.
- 1992 transition members of FPS 2015 who reach age 55 before 31 March 2022.
- 1992 transition members of FPS 2015 who reach 30 years' service before 31 March 2022.
- 1992 transition members of FPS 2015 who will have 25 years+ service and be over 50 by 31 March 2022.

The SAB also want to understand what percentage of the FPS 2015 membership within the immediate detriment (ID) category are likely to be affected by complicating factors, such as divorce or transfers.

To date we have only received responses from eight FRAs.

The SAB kindly request that FRAs complete the [ID information sheet](#) by 30 November 2020. Please note that clicking the link downloads an Excel spreadsheet. Completed returns should be submitted to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### SAB levy 2020-21 update

We informed readers in [FPS Bulletin 35 – July 2020](#) that collection of the SAB levy would begin in August/ September.

[Click here to return to Contents](#)

The budget remains with the minister's office, so we have not yet been able to request purchase order numbers from FRAs. We are continuing to chase this up with the Home Office.

## Other News and Updates

### Restriction of exit payments in the public sector

[The Restriction of Public Sector Exit Payments Regulations 2020](#) come into force on 4 November 2020.

As expected, the regulations have limited application for the FPS, as exemptions apply to two of the exit payments which would otherwise fall within the scope of the £95,000 cap: [enhanced commutation](#) (FPS 1992) and [Authority Initiated Early Retirement \(AIER\)](#) (FPS 2006 and FPS 2015) on fitness grounds.

In some limited circumstances of AIER the cap would still apply and we understand that the Home Office is working with the Government Actuary's Department (GAD) to establish how the assessment against the cap can be undertaken for the fire scheme. This will be achieved either through regulatory change or statutory GAD guidance.

### Public Service Pensions GMP indexation consultation

On 6 April 2016, the government introduced the new State Pension which removed the mechanism that enabled public servants in "contracted-out" employment between 1978 and 1997 to have their Guaranteed Minimum Pension (GMP) fully price protected. The interim solution of full indexation was brought in, which was later consulted on and extended until 5 April 2021. This ensured that public service pensioners had the GMPs they had earned in public service fully indexed by their public service pension scheme.

On 7 October the government published a consultation on [Public Service Pensions: GMP indexation](#). The consultation sets out how the government proposes to ensure it continues to meet its past commitments to public service employees regarding the full indexation of public service pensions, including for any GMP element.

The consultation will last for 12 weeks and closes on 30 December 2020.

The consultation and supporting [written ministerial statement](#) can be found on the new [consultations page](#) of the Regulations and Guidance website.

The LGA will be responding in due course.

### Update on TPR scheme return 2019-20

We reported in [FPS Bulletin 36 – August 2020](#) that the Pension Regulator's (TPR's) statutory scheme return was scheduled to be released in Autumn in line with the usual timescales.

TPR has advised us that the scheme return campaign for public service schemes has been slightly delayed and notices are now due to be sent out during week commencing 2 November 2020.

### **TPO factsheet: Complaining to TPO on behalf of a deceased's estate**

On 19 October the Pensions Ombudsman (TPO) published a factsheet for survivors who may want to bring or continue a complaint on behalf of the deceased's estate.

Factsheet: [Complaining to TPO on behalf of a deceased's estate](#).

### **Pensions Dashboard Programme update**

On 28 October 2020 the Pensions Dashboard Programme (PDP) published its [second progress update report](#). The report summarises the work the PDP has undertaken since April 2020 and sets out a timeline for the development of the project.

## **Events**

### **Local Pension Board virtual training**

We are attending an increasing number of virtual pension board meetings to provide an update on current issues affecting the FPS and how to use the [six key areas of governance](#) as measured by TPR to support the scheme manager through various complexities, such as Sargeant / Matthews, pensionable pay, and ill-health decisions.

If you would like to arrange a session for your board, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### **FPS coffee mornings**

We are continuing to run our MS Teams coffee mornings every second Tuesday while social distancing measures remain in place. These 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.

The next event is scheduled to take place on 3 November 2020.

If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) and we will add you to the invite list for the sessions.

## **HMRC**

### **HMRC newsletters/bulletins**

On 6 October HMRC updated [pension schemes newsletter 124](#) to confirm that the protected pension age easement in relation to COVID-19 will not be extended and will expire on 1 November 2020.

[Click here to return to Contents](#)

HMT has previously confirmed that anyone re-employed between 1 March and the deadline would be deemed as having satisfied the re-employment conditions, regardless of how long the employment lasted. Therefore, we understand that the PPA easement ceases to apply for any new appointments from 1 November 2020.

## Legislation

### SI number    Reference title

2020/122    [The Restriction of Public Sector Exit Payments Regulations 2020](#)

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [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](#)
- [LGPS member site](#)

## Contact details

### **Clair Alcock (Senior Pension Adviser)**

Telephone: 020 7664 3189

Email: [clair.alcock@local.gov.uk](mailto:clair.alcock@local.gov.uk)

### **Kevin Courtney (NPCC Pensions Adviser)**

Telephone: 020 7664 3202

Email: [kevin.courtney@local.gov.uk](mailto:kevin.courtney@local.gov.uk)

### **Claire Hey (Firefighters' Pension Adviser)**

Telephone: 020 7664 3205

Email: [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

## Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

[Click here to return to Contents](#)

## Disclaimer

The information contained in this bulletin has been prepared by the Bluelight Pensions team, part of the Local Government Association (LGA). It represents the views of the team and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this bulletin.

While every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring any perceived errors or omissions to the attention of the Bluelight team by emailing [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).



## FPS Bulletin 39 – November 2020

Welcome to issue 39 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended for the time being due to restrictions on travel and social distancing. However, the Bluelight team are available at home by mobile, email or video (MS Teams, Skype, or Zoom).

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 or suggested items for future issues, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk).

## Contents

<b>Contents</b>	<b>2</b>
<b>Calendar of events</b>	<b>3</b>
<b>Actions arising</b>	<b>3</b>
<b>FPS</b>	<b>3</b>
Medical Appeal Boards service update	3
Protected Pension Age – HMT easement ended	4
Compensation Scheme – Qualifying Injury COVID-19	5
FPS England actuarial factors and guidance notes	6
FPS 2006 special member tax relief requests	6
November query log	7
<b>FPS England SAB updates</b>	<b>7</b>
SAB levy 2020-21 – Request for Purchase Order numbers	7
TPR 2019 Governance and Administration Survey	7
<b>Other News and Updates</b>	<b>8</b>
Restriction of exit payments in the public sector	8
TPR pledge to combat pension scams campaign	8
ICO issue new statutory code of practice on DSARs	8
DB schemes must equalise past GMP transfers	9
<b>Events</b>	<b>9</b>
Joint Fire and Police CIPFA webinar – Sargeant/ McCloud stakeholder management	9
FPS coffee mornings	9
<b>HMRC</b>	<b>9</b>
HMRC newsletters/bulletins	9
<b>Useful links</b>	<b>10</b>
<b>Contact details</b>	<b>10</b>
<b>Copyright</b>	<b>10</b>
<b>Disclaimer</b>	<b>11</b>

## 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 [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

Table 1: Calendar of events

Event	Date
<a href="#">FPS coffee and catch up</a>	Every second Tuesday from 1 December 2020
Fire Communications Working Group	7 December 2020
SAB	10 December 2020
CIPFA remedy engagement webinar	15 December 2020
North East regional group	17 February 2021
SAB	11 March 2021
SAB	24 June 2021
SAB	9 September 2021
SAB	9 December 2021

## Actions arising

Readers are asked to note the following actions arising from the bulletin:

[2020-2021 statutory levy](#): FRAs to provide a valid purchase order number for invoicing of the annual levy, based on the number of employees eligible to join one of the Firefighters' Pension Schemes at 1 April 2020.

## FPS

### Medical Appeal Boards service update

Readers may have been aware that Duradiamond, the current contracted provider of Medical Appeal Boards, suspended appeal hearings for three months from the end of March due to COVID-19.

In July, hearings recommenced on a limited basis in London.

Duradiamond provided the following service update by email on 13 November 2020:

"We are writing to advise that following a meeting with the Home Office this week, we are beginning to open up regional venues in response to appeal demand.

- We will initially open up Manchester and Leeds and pending cases which have these locations as their venue of choice will be booked accordingly.
- Edinburgh, Birmingham and Bristol are in the process of being confirmed and opened and we will be in touch as soon as the allocated venues have confirmed that they remain open to take bookings whilst Lockdown 2 is in effect.
- Regional venues are being reviewed monthly whilst any lockdown and/or COVID-19 tier structure is in place and an update will be provided to all stakeholders on a monthly basis.

We would also like to update you with regard to remote appeals. At present remote attendance is not able to be accommodated, whether that be remote attendance by any party or a full remote board. Following submission of a proposal regarding the provision of remote hearings (in any format) to the Home Office earlier in the year, the Home Office agreed at our meeting yesterday to support Duradiamond in exploring this undertaking. Duradiamond is setting up a project team to assess the feasibility and practicality of delivering any form of remote service in a secure and confidential manner. Duradiamond is aware that the HMCTS (HM Courts and Tribunals Service) is already trialling audio and video technology capability. We will keep you updated on a monthly basis as the project progresses."

### **Protected Pension Age – HMT easement ended**

You may recall that earlier in the year the tax rules for [protected pension age](#) were relaxed. That meant that for any FRA re-employing a retired firefighter under age 55 and in receipt of a pension from the FPS 1992, they didn't need a month's gap in employment to keep their protected pension age or face tax charges of potentially up to 70 per cent of their lump sum and pension. This was only where re-employment was in relation to COVID-19.

On 6 October HMRC updated [pension schemes newsletter 124 - September 2020](#) to confirm that the protected pension age easement will not be extended and would expire on 1 November 2020.

HMT have confirmed that the expiration of the exemption remains unchanged and that there are currently no plans to change this approach. Those who have returned to support the government's response to COVID-19 before 1 November will however not lose their protected pension age if they continue working after that date. This pension age is protected irrespective of whether they move jobs or employers.

More information can be found on our [COVID-19 and the FPS webpage](#).

## Compensation Scheme – Qualifying Injury COVID-19

Readers will recall that questions have been previously asked as to whether a firefighter being identified with a positive case of COVID-19 would be treated as a qualifying injury for the purposes of eligibility to benefits under the compensation scheme, and the Home Office were asked to provide clear assurances that any firefighter who dies from COVID-19 will be recognised as having died from a qualifying injury.

The Home Office have confirmed the following statement:

“The Home Office is unable to provide such assurances as this this would interfere with the established legal process for determining an entitlement to awards payable under the FCS and may set unhelpful future precedents. The responsibility for making such decisions rests with employing FRAs, who are best placed to consider the relevant facts in each case.

FRAs should note that the [IQMP guidance](#) for the firefighters’ pension schemes and compensation scheme clearly sets out the processes that employers should follow when making a decision on scheme members’ ill-health/injury/death entitlements. Paragraph 3.27 of the guidance sets out that when a case is being referred to an IQMP the employing FRA should state whether or not they accept that the injury/death being considered should be treated as a qualifying injury. This process allows employing FRAs to provide their views on whether any firefighter’s death should be treated as a qualifying injury. As explained above, employing FRAs are best placed to consider the detailed facts in each case in order to make these decisions”

In order to make a decision with regards to whether COVID-19, which is widely present in the general population, has been contracted specifically due to conditions in the workplace, the FRA will need to consider each case on a case by case basis in light of the full facts and a blanket approach would not be appropriate.

In considering whether COVID-19 was contracted ‘in the exercise of duties as a firefighter’ FRAs would need to take several matters into account including but not limited to:

- Whether the incident has been taken into account for sick pay purposes.
- The work (and/or leave) pattern for the individual, being mindful of incubation times.
- Known COVID situations in any incident/location attended.
- Colleagues within the same Crew/Watch known to have been infected in the same timeframe.
- Known results whether positive or negative tested at any point over the relevant timeframe for the case in hand
- Any instruction by the FRS not to attend work within the relevant timeframe because of contact with a colleague who had come into work at a point when they would have been infectious
- FRA risk control measures, such as PPE, Distancing, Hygiene, Work Bubbles etc

- Medical reports

The [HSE advice in RIDDOR](#) (the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) includes information about making a judgement and reasonable evidence for their purposes.

### **FPS England actuarial factors and guidance notes**

HM Treasury reduced the SCAPE discount rate from 2.8% to 2.4%pa above CPI from 29 October 2018. As a result of the change, the Government Actuary's Department (GAD) undertook a [factor review](#) for the Firefighters' Pension Schemes.

Over the following 12 to 18 months, new factors and guidance notes were issued to FRAs. It has recently come to our attention that the guidance notes for transfers-in and pension sharing on divorce in respect of FPS 2015 were not distributed at that time. We are pleased to now include them below.

- [FPS 2015 Individual Cash Equivalent Transfers – factors and guidance](#)
- [FPS 2015 Pension Sharing on Divorce – factor and guidance](#)

In addition, the following updated factors and guidance have been provided in November:

- [FPS 1992 and FPS 2006 CPD Additional Pension Benefit – factors and guidance](#)
- [FPS 1992 and FPS 2006 CPD Pension Factors](#) (Excel spreadsheet download)

CPD factors (Table X-801) have been extended to begin at age 20 in advance of remedy implementation.

- [FPS 2015 Early payment reductions – factors and guidance](#)
- [FPS 2015 Early Retirement Factors – Deferred members](#) (Excel spreadsheet download)

Early retirement factors for deferred members of FPS 2015 (Table x-403) have been extended to 13 years to allow for members with a State Pension age of 68.

The [consolidated factor workbook](#) has been updated to take account of the changes. All factor tables and guidance notes can be found on our dedicated [GAD guidance webpage](#).

### **FPS 2006 special member tax relief requests**

In [FPS Bulletins 10 - July 2018](#) and [11 - August 2018](#) we advised FRAs of a request from HMRC for information to be provided directly to them with regards to tax relief claims for special members of the FPS 2006. HMRC have now completed their investigations directly with the Home Office and there is no further action for FRAs to take.

[Click here to return to Contents](#)

Members should not be directly contacted by HMRC with regards to any tax relief claims made due to becoming a special member. If you are aware of any member receiving a request for payment please refer this to us via [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### **November query log**

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey shaded to differentiate from new items. New queries have been added under the following categories: contribution banding.

## **FPS England SAB updates**

### **SAB levy 2020-21 – Request for Purchase Order numbers**

Following our update in [FPS Bulletin 38 – October 2020](#), we are pleased to confirm that the SAB budget for 2020-21 has received ministerial approval and we can now start the invoicing process.

In 2014, FRAs entered a shared arrangement to fund a technical adviser post to support FRAs with their understanding and management of the Firefighters' Pension Schemes. The employers' voluntary subscription is included in the final levy.

The total levy for the 2020-21 year will be £8.29 per firefighter, which is calculated at £6.20 for the SAB and £2.09 for employers. A letter has been sent out to Chief Fire Officers advising them of this.

Devolved FRAs have also been sent levy requests with regards to the employer advice service provided to them by the LGA.

The first stage of the process is for FRAs to provide a valid purchase order number, stating the number of employees eligible to join one of the Firefighters' Pension Schemes at 1 April 2020. The form at [Appendix 1](#) should be used to provide this information.

### **TPR 2019 Governance and Administration Survey**

As you may be aware, the results of the [2019 Governance and Administration survey](#) have now been published by The Pensions Regulator (TPR).

The performance of the Firefighters' Schemes is commented on throughout and the Scheme Advisory Board will consider any further actions they may take.

The TPR [six key processes factsheet](#) will be updated to reflect the latest performance and give further guidance to FRAs in order to achieve a higher rate of understanding and compliance ahead of the 2020 survey.

At their meeting on 17 September 2020 the Board considered a report summarising the [results of the COVID-19 governance survey](#) designed to measure the impact of the coronavirus pandemic on pension scheme governance.

## Other News and Updates

### Restriction of exit payments in the public sector

We confirmed last month that [The Restriction of Public Sector Exit Payments Regulations 2020](#) came into force on 4 November 2020.

Following the enactment of the Exit Payment Regulations, HM Treasury (HMT) published the following documents:

- [Guidance on the 2020 Regulations](#)
- [Directions](#)
- [Equalities Impact Assessment](#)

Although the regulations have limited application for the FPS, FRAs will also have employees who are members of the Local Government Pension Scheme (LGPS).

The Local Government Pensions Committee (LGPC) has provided detailed information about the changes for LGPS and any actions for scheme employers in [LGPC Bulletin 203 – November 2020](#).

### TPR pledge to combat pension scams campaign

On 10 November 2020, TPR launched the [pledge to combat pension scams](#) campaign. The initiative asks administrators and employers to commit to the six pledge principles to show their intent to protect scheme members from losing their benefits in transfer scams.

The pledge is supported by the Pension Scams Industry Group (PSIG) and follows the principles of the [PSIG Code of Good Practice](#).

### ICO issue new statutory code of practice on DSARs

At the end of October 2020, the Information Commissioner's Office (ICO) issued its new statutory code of practice on data subject access requests (DSARs). It is aimed at data protection officers (DPOs) and those with specific data protection responsibilities in larger organisations. Along with providing additional guidance and clarity, the new code of practice is particularly relevant for administrators dealing with increased data requests from members, IFAs and claims management companies in respect of past transfers.

To find out more visit the [Right of access page](#) on the ICO website.

## **DB schemes must equalise past GMP transfers**

On 20 November 2020, the High Court ruled that trustees who do not equalise a member's guaranteed minimum pension (GMP) benefits at the time of calculating a cash equivalent transfer value (CETV) have committed a breach of duty. Defined benefit (DB) schemes providing GMPs should revisit historic CETVs made in the past 30 years and top them up where necessary. The judgment does not force organisations to actively correct all pensions transfers, however, employers may look to do so to avoid legal proceedings from members affected.

This [latest judgment on GMP equalisation](#) follows the initial judgment made in October 2018 involving Lloyds banking group.

We are discussing implications for the FPS with the Home Office.

## **Events**

### **Joint Fire and Police CIPFA webinar – Sargeant/ McCloud stakeholder management**

CIPFA is running a joint Fire and Police webinar on Tuesday 15 December at 10am:

“Stakeholder management will be a key component of your plan to deliver the McCloud remedy. In this seminar, we will cover the changes faced by a variety of stakeholders in the Police and Fire Network. The focus will be on member engagement, the member journey and the opportunity that presents, whilst managing the risks.”

As registration is not yet open for this event, we will circulate details by email to the bulletin distribution list as they become available.

### **FPS coffee mornings**

We are continuing to run our MS Teams coffee mornings every second Tuesday while social distancing measures remain in place. These 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.

The next event is scheduled to take place on 1 December 2020.

If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) and we will add you to the invite list for the sessions.

## **HMRC**

### **HMRC newsletters/bulletins**

HMRC has published the following newsletter containing important updates and guidance on pension schemes:

[Pension schemes newsletter 125 – 30 October 2020](#)

[Click here to return to Contents](#)

- Temporary changes to pension processes as a result of coronavirus
- Managing Pension Schemes service – financial information
- Relief at source declaration – APSS590
- Pension flexibility statistics
- Signing in to online services
- Registration statistics

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [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](#)
- [LGPS member site](#)

## Contact details

### **Clair Alcock (Senior Pension Adviser)**

Telephone: 020 7664 3189

Email: [clair.alcock@local.gov.uk](mailto:clair.alcock@local.gov.uk)

### **Kevin Courtney (NPCC Pensions Adviser)**

Telephone: 020 7664 3202

Email: [kevin.courtney@local.gov.uk](mailto:kevin.courtney@local.gov.uk)

### **Claire Hey (Firefighters' Pension Adviser)**

Telephone: 020 7664 3205

Email: [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

## Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

## Disclaimer

The information contained in this bulletin has been prepared by the Bluelight Pensions team, part of the Local Government Association (LGA). It represents the views of the team and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this bulletin.

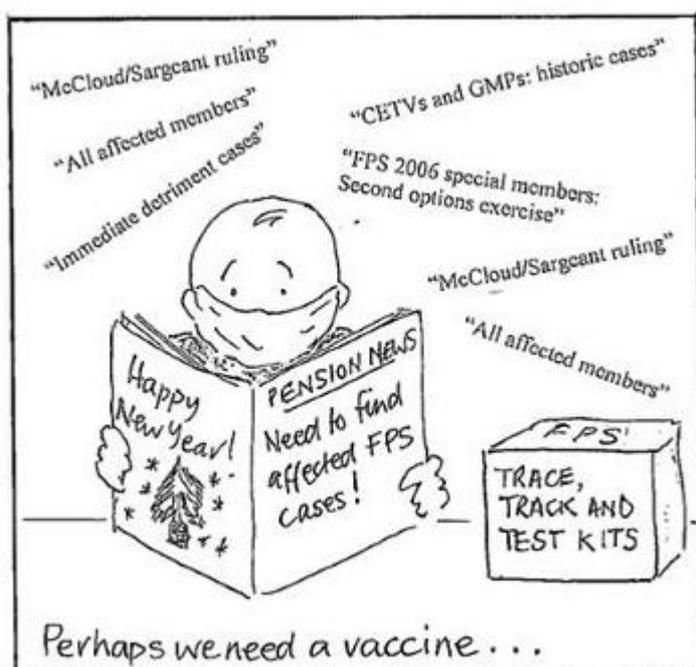
While every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring any perceived errors or omissions to the attention of the Bluelight team by emailing [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).



## FPS Bulletin 40 – December 2020

Welcome to issue 40 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well. May we take this opportunity to wish you all a happy festive period. Many thanks for your help and support during a challenging year – perfectly captured in this illustration by Eunice Heaney.



Face-to-face meetings and training remain suspended into 2021 due to restrictions on travel and social distancing. However, the Bluelight team are available at home by mobile, email or video.

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 or suggested items for future issues, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk).

## Contents

<b>Calendar of events</b>	<b>3</b>
<b>Actions arising</b>	<b>3</b>
<b>FPS</b>	<b>3</b>
Joint statement on age discrimination remedy	3
Standard wording for inclusion with CETVs in divorce cases (and others)	4
December query log	4
<b>FPS England SAB updates</b>	<b>5</b>
Year-end message from the Chair	5
SAB levy 2020-21 – Request for Purchase Order numbers reminder	5
<b>Other News and Updates</b>	<b>5</b>
Cost-cap review stakeholder meeting	5
Pension Dashboards Programme – key data standards published	6
<b>Events</b>	<b>6</b>
FPS coffee mornings	6
Training and events – 2020 facts and figures	6
<b>HMRC</b>	<b>7</b>
HMRC newsletters/bulletins	7
<b>Legislation</b>	<b>7</b>
<b>Useful links</b>	<b>7</b>
<b>Contact details</b>	<b>8</b>
<b>Copyright</b>	<b>8</b>
<b>Disclaimer</b>	<b>8</b>

## 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 [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

Table 1: Calendar of events

Event	Date
<a href="#">FPS coffee and catch up</a>	Every second Tuesday from 12 January 2021
North East regional group	17 February 2021
SAB	11 March 2021
SAB	24 June 2021
SAB	9 September 2021
SAB	9 December 2021

## Actions arising

Readers are asked to note the following actions arising from the bulletin:

[2020-21 statutory levy](#): FRAs to provide a valid purchase order number for invoicing of the annual levy, based on the number of employees eligible to join one of the Firefighters' Pension Schemes at 1 April 2020.

## FPS

### Joint statement on age discrimination remedy

Please see below a joint statement issued on 4 December 2020 by the Home Office and LGA Bluelight team regarding public service pensions age discrimination remedy:

“As you are aware the Treasury’s public consultation on the Public Sector Pension remedy closed on the 11 October. This note is intended to outline next steps for delivery of the remedy.

The Treasury are currently considering consultation responses and expect to publish their response to the consultation in the new year. This will outline the policy intent of the remedy, including whether immediate or deferred choice will be adopted.

Changes to both primary and secondary legislation will be required to remove the discrimination. The Home Office will need to work with the Treasury to understand the policy and proposed legislation and to draft regulations to make the changes required for the Fire schemes.

In order to deliver the remedy to the timeline set out by the Treasury, the Home Office and the LGA Bluelight pensions team are committed to ensuring that you are fully up to speed with all policy and regulation developments so that work can progress at pace. It will be essential that Fire and Rescue Authorities start the process of considering what technology/administration processes will be required to implement the remedy, including what data should be retained, at the earliest opportunity and we will be engaging with you further to understand your dependencies and any challenges you will face.”

### **Standard wording for inclusion with CETVs in divorce cases (and others)**

On 14 December 2020, we emailed pension managers and administrators with the following standard wording provided by HM Treasury (HMT). The text should be included with Cash Equivalent Transfer Values (CETVs) issued prior to remedy to alert the member – and others “using” the CETV – to the fact that it may well not be a final figure:

“The Government is currently in the process of consulting on, and finalising, proposals to address discrimination identified by the Courts in respect of certain members that may affect the cash-equivalent transfer value (CETV) set out in this communication. For more information please [see the consultation documents available here](#). It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period.

It is important for the recipient of this CETV to note that the value given may change in future.”

HMT has confirmed that the wording should be used for CETVs in divorce and transfer cases, but not for Club transfers.

When using the wording, please make sure the hyperlink to the consultation is not lost if you copy and paste the text to another electronic document. If you send a hard copy of the communication rather than sending electronically, the full link text must be included.

### **December query log**

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

No new queries have been added this month.

## FPS England SAB updates

### Year-end message from the Chair

Following a whirlwind four months and in keeping with tradition, we are pleased to bring you this year-end message from Joanne Livingstone, chair of the FPS England Scheme Advisory Board:

“Dear Friends & colleagues,

Although it has become a cliché to say so, it has certainly been a year that none of us will forget. For me, the process of being appointed as the Chair of the Scheme Advisory Board (SAB) for England and then getting up to speed on the Fire Pensions front was a welcome distraction from the international emergencies. And there has certainly been a lot going on for Fire Pensions.

The year was dominated by the HMT consultation on remedy for the age discrimination detriment created by the transitional arrangements for the introduction of the 2015 Scheme...”

Read [Joanne's year-end festive message](#) in full on the [Board updates page](#).

### SAB levy 2020-21 – Request for Purchase Order numbers reminder

As detailed in [FPS Bulletin 39 – November 2020](#), we have now started the collection process of the SAB and technical support levy for 2020-21.

FRAs were asked to provide a valid purchase order number by 31 December 2020, stating the number of employees eligible to join one of the Firefighters’ Pension Schemes at 1 April 2020.

Thank you to the organisations who have completed the [statutory levy form](#). We will send a direct reminder in January to those who do not respond by the deadline.

## Other News and Updates

### Cost-cap review stakeholder meeting

On 23 October 2020, the Government Actuary’s Department (GAD) held a stakeholder meeting to discuss the operation of the cost-control mechanism across public service pension schemes.

A paper setting out a [summary of the key discussion points](#) was released following the meeting.

You can find this and other documents relating to the valuation and cost-cap on our [scheme valuations](#) webpage.

## Pension Dashboards Programme – key data standards published

The Pension Dashboards Programme (PDP) published several updates relating to [dashboard data standards](#) on 15 December 2020. These include an introduction to data standards video and a guide containing detailed information on the data that will be needed for initial dashboards.

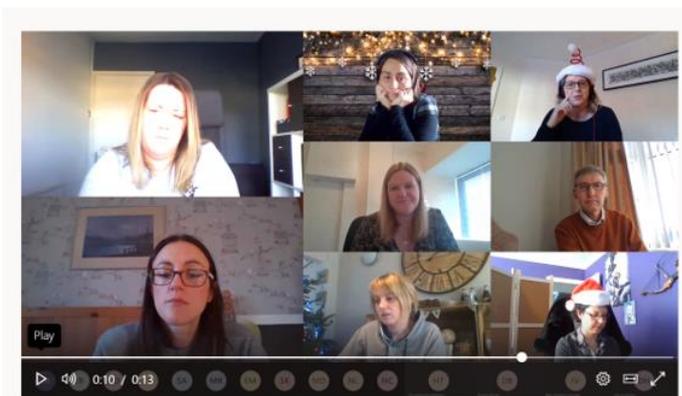
## Events

### FPS coffee mornings

We will restart our MS Teams coffee mornings every second Tuesday after the Christmas break. 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.

The next event is scheduled to take place on 12 January 2021.

The sessions have been increasingly popular since we began hosting them in May. We had a record attendance of 34 at our final session on 15 December, where attendees were invited to get into the Christmas spirit early.



If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### Training and events – 2020 facts and figures

Even though 2020 has looked very different, it has become tradition to provide a roundup of events attended and facilitated by the team. We have become very adept at using Teams and Zoom and will happily provide training sessions virtually upon request.

This year's meetings have numbered 12 regional Fire Pension Officer Group meetings, 12 local or regional training sessions for Local Pension Boards (LPBs) and scheme managers, 6 meetings of the SAB including two special meetings to discuss the HMT consultation, 12 technical discussions with stakeholders on remedy, 3 communications group, and 2 technical group meetings.

In addition to our business as usual engagements, we managed to continue to hold our two popular annual events: Local Pension Board 'wrap up' training and the two-day AGM. Information about our national events can be found on our [Events page](#).

Finally, we have been regular virtual visitors to the devolved SAB meetings to provide an overview of issues arising in England and continue to represent FPS interests at sector specific forums including HMT led meetings.

## HMRC

### HMRC newsletters/bulletins

On 3 December HMRC published [Pension schemes newsletter 126](#) containing important updates and guidance for schemes. Articles include:

- Managing Pension Schemes
- Relief at source
- Pension scheme returns for 2019 to 2020
- Signing in to online services
- In-specie contributions
- Annual allowance charge - members declaring their annual allowance charge on their Self-Assessment tax return

## Legislation

SI number	Reference title
2020/1332	<a href="#">The Occupational Pensions (Revaluation) Order 2020</a>
2020/1391	<a href="#">The State Pension Debits and Credits (Revaluation) (No. 2) Order 2020</a>
2020/1392	<a href="#">The State Pension Revaluation for Transitional Pensions (No. 2) Order 2020</a>
2020/1511	<a href="#">The Firefighters' Pension Schemes and Compensation Scheme (Wales) (Amendment) Regulations 2020</a>

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khuf Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)

[Click here to return to Contents](#)

- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)

## Contact details

### **Clair Alcock (Senior Pension Adviser)**

Telephone: 020 7664 3189

Email: [clair.alcock@local.gov.uk](mailto:clair.alcock@local.gov.uk)

### **Kevin Courtney (NPCC Pensions Adviser)**

Telephone: 020 7664 3202

Email: [kevin.courtney@local.gov.uk](mailto:kevin.courtney@local.gov.uk)

### **Claire Hey (Firefighters' Pension Adviser)**

Telephone: 020 7664 3205

Email: [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

## Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

## Disclaimer

The information contained in this bulletin has been prepared by the Bluelight Pensions team, part of the Local Government Association (LGA). It represents the views of the team and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this bulletin.

While every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring any perceived errors or omissions to the attention of the Bluelight team by emailing [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## HFRA FIREFIGHTERS' PENSION BOARD

Purpose: Noted

Date **27 JANUARY 2021**

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

Report of Chief Finance Officer



**HAMPSHIRE  
FIRE AND  
RESCUE  
AUTHORITY**

### 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.

### STATUTORY REPORTING

3. There were no Accounting for Tax (AFT) payments to be made to HMRC for quarter 2 2020/21.

### TPR SCHEME RETURNS

4. Each year the Pension Regulator requires pension schemes to complete a scheme return. This includes information about the Board members, the number of members in each scheme and also the data scoring for both the common and scheme specific conditional data that is present and accurate on pension records.
5. The common data score is made up of things like personal data such as name, address, date of birth etc, while the scheme specific data score varies from scheme to scheme and for Fire would include specific things such as membership data including any transfer in details, CPD, temporary promotions etc.
6. The table below shows the scores for year ending 31 March 2019 and the latest year 31 March 2020, which shows that improvements have already been made across most areas. Hampshire Pension Services have a data improvement plan in place which will aim to increase the data scores year on year.

The Pension Regulator Scheme Returns - FIRE Schemes						
<b>Year end</b>	<b>31/03/2019</b>					
<b>TPR Scheme Return</b>	<b>November 2019</b>					
<b>Scheme</b>	<b>Actives</b>	<b>Deferreds</b>	<b>Pensioners</b>	<b>Beneficiaries</b>	<b>Common Data Score</b>	<b>Conditional Data Score</b>
1992 Fire Pension Scheme	110	81	836	131	96%	90%
2006 Fire Pension Scheme	30	421	37	5	84%	75%
2006 Modified Fire Pension Scheme	27	42	67	2	98%	82%
2015 Fire Pension Scheme	1,055	358	5	0	97%	73%
<b>Total</b>	<b>1,222</b>	<b>902</b>	<b>945</b>	<b>138</b>		
<b>Year end</b>	<b>31/03/2020</b>					
<b>TPR Scheme Return</b>	<b>December 2020</b>					
<b>Scheme</b>	<b>Actives</b>	<b>Deferreds</b>	<b>Pensioners</b>	<b>Beneficiaries</b>	<b>Common Data Score</b>	<b>Conditional Data Score</b>
1992 Fire Pension Scheme	53	68	831	136	98%	92%
2006 Fire Pension Scheme	13	411	43	4	88%	98%
2006 Modified Fire Pension Scheme	15	38	73	3	98%	90%
2015 Fire Pension Scheme	1,057	443	5	7	98%	97%
<b>Total</b>	<b>1,138</b>	<b>960</b>	<b>952</b>	<b>150</b>		

## RISK REVIEW

- 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

- A new risk has been added to the Risk Register specifically for the McCloud remedy work, which has also been reflected on HFRA's organisational risk register.
- The board are asked to review the Risk Register and to suggest any amendments. The Risk Register can be found in APPENDIX A.

## McCLOUD CASE

- This is also known as the Sargeant case; it relates to the age discrimination court case that was brought against the transitional protections for the 2015 Fire Pension Scheme.

## CONSULTATION

- The response to the consultation that was approved by the Board at the last meeting, was submitted on 9 October 2020. At the time of writing this report,

we have not received the Government's response to the consultation which is expected soon.

### IMMEDIATE DETRIMENT CASES

12. The Home Office issued guidance on 21 August 2020 on the treatment of "immediate detriment" cases. This would apply to two groups of people, who were unprotected members or who had tapered protection.
  - (a) who become eligible to retire at age 50 with at least 25 years' service and want to have all their benefits paid from the legacy scheme; or,
  - (b) who don't qualify for lower tier ill health pension under the single pot but would do so under the ill health arrangements in their legacy scheme
13. Having sought the views of Board members, Immediate Detriment will be considered on a case by case basis, with three main points:
  - (a) The member must be a claimant. This will be reviewed when we know the outcome to the latest EAT hearing
  - (b) The wording for the waiver the member has to sign has not yet been received from HMT / agreed suitable by HFRS. We have received a disclaimer from West Midlands Police and Hampshire Constabulary are currently assessing the suitability of this with their legal team. If this is found to be suitable, then HFRS could look to adopt it
  - (c) The pension case must be clear and straight forward. This will be determined by the completion of a matrix with input from the employer and Hampshire Pension Services, with the ultimate decision resting with the employer
14. To date we have not had any cases that meet the criteria to be assessed under Immediate Detriment. But we do have an assessment and authorisation process in place as and when a case does occur. The legislation update report indicates that there are 55 Firefighters who could qualify for Immediate Detriment prior to the 31 March 2022, although clearly this excludes any potential ill health cases that may come forward.
15. The Chair of the Board and the Employer Pension Manager attended a confidential seminar to discuss Immediate Detriment which was organised by the NFCC.
16. This was helpful to provide FRAs with some of the detail, illustrating the concerns and potential problems around offering Immediate detriment to members.
17. From a number of questions and comments raised by various FRAs at the seminar, it would appear that HFRA's decision to only offer Immediate Detriment in a limited capacity, assessed on a case by case basis, is aligned to the national consensus.

18. The Board are asked for their views on communicating Immediate Detriment to members, specifically around the audience, content and the timing of any communications.

### REMEDY PROJECT

19. The Employer Pension Manager is project managing the McCloud remedy work for Hampshire Pension Services. This will cover the Local Government Pension Scheme, the Police Pension Schemes and the Fire Pension Schemes across all partners and employers that Hampshire Pension Services provide a pension administration service for.
20. A project plan has been drafted and split between actions and tasks that can be undertaken before or after April 2022. Until the Government's response to the consultation is received, the post April 2022 activities have not been scheduled; this is primarily because for the Police and Fire Pension Schemes, the sequence of tasks required will very much depend on whether we have an "immediate choice" or a "deferred choice underpin" option.
21. It is currently anticipated that while some initial preparation work can be actioned prior to April 2022, the majority of the work will take place after April 2022. This means that although some resources are required now this will need to be increased as the project continues. At the height of the project we are planning to need the equivalent of approximately 12 FTE staff within Hampshire Pension Services for all the work that is required to implement remedy.
22. We are in the process of pulling together some high level indicative costs based on anticipated resources and work required. Hampshire Pension Services will be looking to share the cost between all its partners for which it administers pensions.
23. There will be some efficiencies and common work across the partners, but we are still anticipating the cost for the Hampshire and Isle of Wight Fire Authority to be in the region of 15% of the total McCloud remedy costs, which equates to approx. £50K - £60K for each year of the project. We have currently planned for this to be a three year project. Timescales, resources and project plans are at this stage indicative only and are subject to change as and when we find out what the final solution is.

### COMMUNICATION

24. The last pre-retirement course was on the 17 December, and the next one is scheduled for 11 February, although this date may change and or move to an online course due to the current national lockdown, these courses are always very popular and fully attended.

25. There are also two presentation for new recruits scheduled for February and it has been confirmed that these will be virtual presentations due to the current national lockdown in place.

### MEETINGS

26. The Employer Pension Manager has been attending fortnightly online coffee mornings for the Fire Technical Group and has also attended the Fire Communications Working Group. Whilst these are useful in terms of understanding what others are doing it is also pleasing to note that we rarely find out anything new at these meetings.

### MEMBER PORTAL

27. There has been a slight increase of those registered for the Member Portal from 32% to 36%.
28. Numbers of those registered as at 13 January 2021 are shown in the table below:

Pension online registration numbers as at 13/01/2021							
Number of actives per age range							
HFRA FIRE	under 30	30-40	40-50	50-55	55-65	65+	Total
Registered	15	63	148	83	39	1	349
Not registered	102	195	198	72	43	2	612
<b>Total</b>	<b>117</b>	<b>258</b>	<b>346</b>	<b>155</b>	<b>82</b>	<b>3</b>	<b>961</b>
Percentage of all actives per age range							
HFRA FIRE	under 30	30-40	40-50	50-55	55-65	65+	Total
Registered	2%	7%	15%	9%	4%	0%	36%
Not registered	11%	20%	21%	7%	4%	0%	64%
<b>Total</b>	<b>13%</b>	<b>27%</b>	<b>36%</b>	<b>16%</b>	<b>8%</b>	<b>0%</b>	<b>100%</b>

### COMBINED FIRE AUTHORITY (CFA)

29. When the CFA comes into effect on 1 April 2021, there are a few items that need approval or decisions to be made. These items were discussed at the last Board meeting and a paper concerning the items will be going to the Shadow Authority meeting on 10 February 2021. Although this also includes some items which relate to the Local Government Pension Scheme, the draft

report has been included for the Board's information and can be found in APPENDIX B.

30. The new Pension Board for the new Combined Fire Authority will come into being from 1 April this year and will consist of 4 employer representatives and 4 scheme member representatives, 2 of which are from the Isle of Wight.

### TRAINING NEEDS ANALYSIS

31. Board members all completed a training needs analysis, showing areas where there may be some gaps in knowledge. The summary of the results can be found in APPENDIX C.
32. To help improve Board members knowledge there is some online learning available from TPR. This can be found at [TPR - Public Service toolkit programme](#).
33. The TPR pensions education portal has online training containing seven topics, each topic takes around 30 minutes to complete; the topics are:
  - (a) Conflicts of interest
  - (b) Managing risk and controls
  - (c) Maintaining accurate member data
  - (d) Maintaining member contributions
  - (e) Providing information to members and others
  - (f) Resolving internal disputes
  - (g) Reporting breaches of law
34. Once all modules are complete, a certificate is available and this should be submitted for inclusion in the Board Member's training record.

### RECOMMENDATIONS

35. That the content of this report be noted by the Hampshire Fire Pension Board
36. That the Risk Register as set out in paragraphs 4-6 and APPENDIX A be approved by the Hampshire Fire Pension Board.

APPENDICES ATTACHED

37. APPENDIX A – Risk Register
38. APPENDIX B – Report to Shadow Authority
39. APPENDIX C – Summary of Training Needs Analysis

Contact:

Claire Neale, Employer Pension Manager, [claire.neale@hants.gov.uk](mailto:claire.neale@hants.gov.uk),  
0370 779 2790

This page is intentionally left blank

		Impact				
		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood	Rare	1	2	3	4	5
	Unlikely	2	4	6	8	10
	Possible	3	6	9	12	15
	Likely	4	8	12	16	20
	Almost certain	5	10	15	20	25

## 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 web (UPM access) d) Fire Employer Group & Pensions Admin Group e) Fire Pension Board f) Management oversight and escalation to Rob Carr 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 HFRA 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 Groups d) Fire Pension Board e) 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 adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed	4	4	16	a) Staff recruited specifically for McCloud tasks or to backfill positions so more experienced staff can be released for project 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 both the Fire Technical Group and Fire Communications Working Group to ensure all information is received e) Work across departments to be co-ordinated from the Fire Employer Group	2	4	8	Scheme Manager

BEFORE MITIGATION		Impact						
		Negligible	Minor	Moderate	Major	Catastrophic		
		1	2	3	4	5		
Likelihood	Rare	1						
	Unlikely	2			1. Failure to administer the pension scheme in a proper and effective manner	3. Failure to adequately account for fund pension contributions		
	Possible	3			2. Failure to pay the right amounts on time and in line with legislation	4. Failure to identify and interpret and implement legislation correctly		
	Likely	4				5. Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed		
	Almost certain	5						

AFTER MITIGATION		Impact						
		Negligible	Minor	Moderate	Major	Catastrophic		
		1	2	3	4	5		
Likelihood	Rare	1			1. Failure to administer the pension scheme in a proper and effective manner	3. Failure to adequately account for fund pension contributions	4. Failure to identify and interpret and implement legislation correctly	
	Unlikely	2			2. Failure to pay the right amounts on time and in line with legislation	5. Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed		
	Possible	3						
	Likely	4						
	Almost certain	5						



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

Purpose: Decision

Date **9 JANUARY 2021**

Title **PENSION CONSIDERATIONS FOR THE COMBINED FIRE AUTHORITY**

Report of Chief Finance Officer

### SUMMARY

1. This report provides an update on the development of key items associated with pension decisions relating to the new Combined Fire Authority. As a new entity, there is a requirement to take specific decisions around a number of pension related items as set out in this report.
2. For the most part these mirror decisions or policies that were already in place within both Hampshire and the Isle of Wight Fire and Rescue Authorities but in some areas there are differences, which have been highlighted within the report.

### SALARY SACRIFICE SHARED COST AVCs

3. For Local Government Pension Scheme (LGPS) members, they have the option of topping up their pension by paying into Additional Voluntary Contributions (AVCs). Any AVCs paid by the member attract tax relief.
4. Prudential, one of the AVC providers for Hampshire Pension Fund, has the facility to allow a Salary Sacrifice Shared Cost AVC (SS SCAVC) arrangement. This means that both the employer and employee contribute to the SS SCAVC; The employee sacrifices part of their salary and the employer pays this to the AVC fund and the employee must pay £1 as their contribution.
5. The benefit of this arrangement over a standard AVC is that both the employee and the employer will pay less in National Insurance contributions.
6. It is proposed that from 1 April 2021, that this facility is offered to all LGPS members employed by the Hampshire and IOW Fire and Rescue Authority.

## DISCRETIONS POLICY

7. The pension schemes require employers to take discretions for certain rules within the legislation. These are formed into policies called Discretion Policies.
8. Part of the work to align Hampshire and IOW in preparation for the Combined Fire Authority from 1 April 2021 was to look at the discretions policies in place for both authorities in respect of the LGPS and the Fire Pension Scheme.
9. The policies from both authorities do align which means that there are no amendments required and therefore we are recommending that these are published in the new format under the new employer name of Hampshire and IOW FRA. The LGPS Discretions Policy can be found in APPENDIX A, and the Fire Pension Scheme Discretions Policy can be found in APPENDIX B.
10. The only item which is not aligned is regarding Temporary Promotions for the Fire Pension Schemes and this is a separate item below.

## FIRE PENSION SCHEME TEMPORARY PROMOTIONS

11. On 1 July 2013, the 1992 Fire Pension Scheme regulations were amended in that each FRA had to make their own decision about whether to treat Temporary Promotions as pensionable or not.
12. Prior to this date, Temporary Promotions were all pensionable and the member was entitled to use the Temporary Promotion pay as their final pay when it came to calculate their pension benefits.
13. The change from 1 July 2013, not only allowed each FRA to determine the pensionable status of Temporary Promotions, but where it was deemed to be pensionable going forward, it removed the right to have it treated as final pay and instead the legislation allowed for it to be awarded as an Additional Pension Benefit (APB). This is an additional amount which is added to the members annual pension, based on the amount of Temporary Promotion pay, the contributions paid on it and the age of the member at the end of each Scheme Year.
14. HFRA made the decision to make temporary promotions pensionable but the IOW did not. This means that up to the point of the combination of the Fire Authorities, IOW members will have any Temporary Promotions treated as non-pensionable.
15. As the HIWFRA becomes a new employer from 1 April 2021, a new decision has to be made as to the pensionable status of Temporary Promotions for all members from that date going forward.

16. It is recommended that from 1 April 2021 all Temporary Promotions within the 1992 or 2006 Fire Pension Schemes for members employer by HIWFRA are treated as pensionable and awarded an APB in respect of the additional pay received.
17. There are 25 members from IOW that are currently on a Temporary Promotion and are in either the 1992 or 2006 Fire Pension Schemes. These will continue to be paid as non-pensionable up to 31 March 2021, but from 1 April 2021, they will be paid as pensionable. This will mean that the member will see an increase in their monthly pension contribution deductions and there will be a corresponding increase in the employer contributions.
18. There is a communication plan to advise these members of the changes that will affect their pay from 1 April 2021.

#### FIRE PENSION SCHEME RISK REGISTER

19. The Hampshire Fire Pension Board have a Risk Register and at the HFRA Firefighters Pension Board meeting in October, the Board were keen to add McCloud to the Risk Register as a separate item. The revised risk register can be found in APPENDIX C.

#### McCLOUD – IMMEDIATE DETRIMENT CASES

20. In August 2020 the Home Office issued a 6 page guidance note on Immediate Detriment, allowing FRAs to offer remedy to members that are due to retire. Whilst this provided some helpful information, it did not provide a clear set of rules to follow for all scenarios in all circumstances.
21. The LGA sought legal advice on behalf of FRAs specifically about the legality of the guidance note and whether it could be relied upon; the advice has been shared with the Scheme Managers.
22. Taking into account the Immediate Detriment (ID) guidance note, the legal advice and all the Fire Pension Schemes complexities, we are recommending that HIWFRA will not automatically apply ID in all cases, the reasons for this are:-
  - (a) ID guidance can only be used for Claimants. It cannot provide any basis for FRAs to make payments to non-claimants
  - (b) The guidance is of an informal nature, it is subject to changes and it does not set out a series of clear rules to follow; there is a high risk to both HIWFRA and the member that incorrect choices or errors in manual calculations will be made.
  - (c) We do not yet have the wording necessary for the waiver which the member would have to sign to say that they agree to remedy being

given now on the basis of the information in the ID guidance and that they will accept the Government's final position, whatever that is. This wording is awaited from the Home Office and HM Treasury.

- (d) Even if remedy, using the ID is given now, the case will have to be reviewed in April 2022 when the final position is known and it is expected that the member will be in a position where they will have further monies to pay – e.g. interest on contributions.
  - (e) Where a member will exceed their Annual Allowance or has a Pension Sharing Order within the remedy period, it is not possible to deal with these cases as the ID guidance does not explicitly explain how these cases should be treated.
  - (f) If ID were to be used on any cases, there would be a significant delay in paying any benefits as relevant information would need to be sought from the employer and manual calculations would need to be completed to be in a position to be able to present the member with a choice. The member would be encouraged to obtain independent financial advice to ensure that they are making the right decision. Only once a signed waiver declaration with an election of a choice would any benefits be able to be paid.
  - (g) No member will lose out, if ID is not utilised now, then all retired members will receive the choice of remedy after April 2022, this means that the member will have all the relevant details and the final Government position will be known. Where any arrears of pension are due these will be paid to the member and any monies due from the member can be offset against this.
23. Whilst it is recommended that this is adopted as the HIWFRA formal policy on the application of ID, we will consider individual cases on a case by case basis and in exceptional circumstances we will consider applying ID if certain conditions are met, i.e. that their circumstances are clear and straight forward.
24. We will have a conversation with members wanting to utilise ID and point out that if we use this now then we will have to review their case again in April 2022 and the position may change, but they will have to accept the Government's final position and they will not have another choice.
25. There is the potential that the benefits the member has received could be wrong and we would have to recalculate and recover any overpayments, along with them having to pay interest on contributions, and anything else that falls out of the Governments consultation response. After taking all of this into account the member will have the option to receive benefits based on the current legislation and wait to receive remedy until after April 2022 when the final position is known.

## RECOMMENDATION

26. The Shadow Authority are asked to note the content of this report
27. The Shadow Authority are asked to approve the introduction of the Salary Sacrifice Shared Cost AVC arrangement as set out in paragraphs 3-6
28. The Shadow Authority are asked to approve the LGPS Discretions policy as set out in paragraphs 7-10 and APPENDIX A
29. The Shadow Authority are asked to approve the Fire Pension Scheme Discretions policy as set out in paragraphs 7-10 and APPENDIX B
30. The Shadow Authority are asked to approve the decision to make Temporary Promotions pensionable as set out in paragraphs 11-18
31. The Shadow Authority are asked to approve the Risk Register as set out in paragraph 19 and APPENDIX C.
32. The Shadow Authority are asked to approve the decision not apply Immediate Detriment automatically to all Fire Pension Scheme cases in respect of McCloud as set out in paragraphs 20-25

That the Shadow Authority delegates authority to the Chief Financial Officer in consultation with the Chief Fire Officer to apply Immediate Detriment on a case by case basis if appropriate.

## APPENDICES ATTACHED

33. APPENDIX A – LGPS Discretions Policy
34. APPENDIX B – Firefighters Discretion Policy
35. APPENDIX C – Risk Register

Contact:

Claire Neale, Employer Pension Manager, [claire.neale@hants.gov.uk](mailto:claire.neale@hants.gov.uk),  
0370 779 2790

Ref	Topic	Familiar	Almost	Unsure
<b>A</b>	<b>Background and Understanding of the Legislative Framework of the Fire pension scheme</b>			
A1	Differences between public service pension schemes like the Fire Pension Scheme (FPS) and private sector trust- based schemes	5	1	0
A2	Role of the Independent Public Service Pensions Commission (IPSPC) and its recommendations	1	3	2
A3	Key provisions of the 2013 Pension Act	1	4	1
A4	The structure of the scheme and the main bodies involved including the Responsible Authority, the Scheme Manager, the Scheme Advisory Board, the Local Pension Board and the Scheme employers	3	2	1
A5	An overview of local authority law and how Administering Authorities are constituted and operate	1	2	3
A6	Scheme and connected scheme rules overview (including the Regulations)	0	4	1
A7	The Firefighter Pension Scheme 1992	3	3	0
A8	The Firefighter Pension Scheme 2006 and main changes from the 1992 scheme	1	5	0
A9	The Firefighters Pension Fund	1	3	2
A10	The Firefighters Compensation Scheme	1	5	0
A11	Firefighters (Modified) Pension Scheme	0	6	0
A12	The Firefighters Pension Scheme 2015	3	3	0
		<b>20</b>	<b>41</b>	<b>10</b>
<b>B</b>	<b>General pensions legislation applicable to the FPS - An overview of wider legislation relevant to the FPS including:</b>			
B1	Automatic Enrolment (Pensions Act 2008)	3	3	0
B2	Contracting out (Pension Schemes Act 1993)	1	3	2
B3	Data protection (Data Protection Act 1998)	3	3	0
B4	Employment legislation including anti- discrimination, equal treatment, family related leave and redundancy rights	3	1	2
B5	Freedom of Information (Freedom of Information Act 2000)	3	3	0
B6	Pensions sharing on divorce (Welfare Reform and Pensions Act 1999)	1	5	0
B7	Tax (Finance Act 2004)	1	4	1
		<b>15</b>	<b>22</b>	<b>5</b>
<b>C</b>	<b>Role and responsibilities of the Local Pension Board</b>			
C1	Role of the Local Pension Board	3	3	0

Ref	Topic	Familiar	Almost	Unsure
C2	Conduct and conflicts	3	3	0
C3	Reporting of breaches	3	3	0
C4	Knowledge and understanding	1	5	0
		10	14	0
<b>D</b>	<b>Role and responsibilities of the Scheme Manager</b>			
D1	Membership and eligibility	2	4	0
D2	Benefits and the payment of benefits	2	4	0
D3	Decisions and discretions	1	2	3
D4	Disclosure of information	2	3	1
D5	Record keeping	2	3	1
D6	Internal controls	2	3	1
D7	Internal dispute resolution	1	4	1
D8	Reporting of breaches	3	3	0
D9	Statements, reports and accounts	3	2	1
		18	28	8
<b>E</b>	<b>Funding and Investment</b>			
E1	Requirement for triennial and other valuations	1	0	5
		1	0	5
<b>F</b>	<b>Role and responsibilities of Scheme Employers</b>			
F1	Automatic Enrolment & Opting Out	1	5	0
F2	Deduction and payment of contributions	3	2	1
F3	Special contributions	0	3	3
F4	Employer decisions and discretions	1	3	2
F5	TUPE and outsourcing (including Fair Deal and the Best Value Authorities Staff Transfers (Pensions) Directions 2007)	0	3	3
		5	16	9
<b>G</b>	<b>Tax and Contracting Out</b>			
G1	Finance Act 2004	0	3	3
G2	Role of HMRC	2	3	1
G3	Registration	1	2	3

Ref	Topic	Familiar	Almost	Unsure
G4	Role of 'scheme administrator'	2	2	2
G5	Tax relief on contributions	3	3	0
G6	Taxation of benefits	3	3	0
G7	Annual and lifetime allowances	2	3	1
G8	Member protections (primary, enhanced, IP etc)	0	4	2
G9	National Insurance	1	4	1
G10	Contracting out (Pensions Scheme Act 1993)	1	3	2
G11	Impact of abolition of contracting out in 2016	1	1	4
		16	31	19
<b>H</b>	<b>Role of advisors and key persons</b>			
H1	Officers of the Fire and Rescue Authority	2	4	0
H2	Auditor	2	4	0
H3	Lawyers	2	3	1
H4	Administrators – in house v. third party	2	2	2
H5	Procurement of services	2	3	1
H6	Contracts with third parties	2	3	1
		12	19	5
<b>J</b>	<b>Key Bodies connected to the Scheme - an understanding of the roles and powers of:</b>			
J1	Courts	1	2	2
J2	HMRC	1	5	0
J3	Information Commissioner	2	1	3
J4	Pensions Advisory Service	3	2	1
J5	Pensions Ombudsman	3	2	1
J6	The Pensions Regulator (including powers in relation to Local Pension Boards)	3	2	1
		13	14	8

This page is intentionally left blank