



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

Purpose: Noted

Date: **12 OCTOBER 2023**

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

Report of Chief Financial Officer

SUMMARY

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

COMMUNICATION

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

MEMBER PORTAL

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

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

DEPARTURE OF THE EMPLOYER PENSIONS MANAGER

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

RISK REVIEW

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

RISK REGISTER

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

MATTHEWS / O'BRIEN CASE

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

McCLOUD / SARGEANT REMEDY

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

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

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

REMEDY PROJECT COSTINGS

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

RECOMMENDATION

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

APPENDICES ATTACHED

26. APPENDIX A – Risk Register

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