



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

HIWFRA Full Authority

Purpose: Noted

Date: **5th December 2023**

Title: **PENSIONS ARRANGEMENTS**

Report of Chief Financial Officer

SUMMARY

1. This report sets out the arrangements for the administration of pensions within the service.
2. It covers both how the service fulfils its responsibilities as an employer as well as how support is provided to serving firefighters and pensioners.

BACKGROUND

3. Following changes to the HR arrangements covered at the October 2023 Full Authority meeting, a recommendation to provide a separate report on pensions matters was made. This report covers that recommendation.

RELEVANT PENSION SCHEMES

4. The Authority currently has employees in two pension schemes:
 - (a) The Local Government Pension Scheme for green book employees, fire control and any other firefighter who joined the scheme at the rank of station manager or above.
 - (b) The 2015 Firefighters Pension Scheme for operational staff except for those listed above.

PENSION RESPONSIBILITIES

5. There are several aspects to pension scheme responsibilities which are outlined in further detail below:
 - (a) Governance
 - (b) Employer responsibilities
 - (c) Administration.

PENSION SCHEME GOVERNANCE

6. Each scheme has a national Scheme Advisory Board. Their role is to advise the Responsible Authority on the desirability of changes to the scheme. The Responsible Authorities for the schemes are as follows:
 - (a) LGPS – DLUHC minister
 - (b) Firefighters pension scheme – Home Office minister
7. Locally each scheme has a pension board, who assist the scheme manager in securing compliance with relevant regulations and a scheme manager, who is responsible for managing and administering the scheme. The arrangements for this are as follows:
 - (a) LGPS – Pension Fund Panel and Board is the scheme manager and pension board. This is because the County Council is the Administering Authority for the Scheme.
 - (b) Firefighters pension scheme – Standards and Governance Committee is the scheme manager, Firefighters Pension Board is the pension board.
8. In practice the scheme manager receives support from officers and delegates decision making powers on administrative matters to the Chief Fire Officer and Chief Financial Officer.

EMPLOYER RESPONSIBILITIES

9. As the employer, the Authority has a range of responsibilities including:
 - (a) To understand and apply regulations
 - (b) Make decisions on discretionary elements of the scheme
 - (c) Account for pension costs

- (d) Submit data to HMRC / Home Office
 - (e) Communicate scheme changes to employees
 - (f) Put employees into the scheme, deduct contributions
 - (g) Provide employee information to the pension administrator.
10. In practice, these tasks are carried out by different parts of the organisation and the shared services partnership, working collaboratively. The bulk of the work sits with the Integrated Business Centre Pensions Administration team, who carry out the pension functions on behalf of the Authority. Accounting is carried out by the shared services Finance team, and the Chief Financial Officer works with others to ensure that regulations are understood and applied.
11. The HR team also have a role in effective delivery of pension responsibilities, both in terms of making sure that employer responsibilities are fulfilled and that employees and prospective employees understand the benefits available from the pension scheme. In the future HR structure, provisionally approved by the Authority in October, there is provision for support for and the development of expertise in employer pension responsibilities. This will include horizon scanning for developments, reviewing and interpreting pensions guidance and providing training input to new staff, pre-retirement courses and other relevant training. There will be a breadth of expertise across multiple team members.
12. In addition, expert support in the form of training and query resolution is provided by the Local Government Association.

PENSIONS ADMINISTRATION

13. The pensions administrator for the Fire Authority is Hampshire Pension Services, part of Hampshire County Council. They are broadly responsible for administering the pension scheme in accordance with regulations and instructions from the employer, including:
- (a) Maintaining records
 - (b) Calculating benefits
 - (c) Paying pensions.
14. For pensions administration to work effectively it is essential that there is a good working relationship and understanding between the employer and

administration side. The changes to the HR function will not impact the longstanding and positive relationships between those involved.

McCLOUD AND MATTHEWS REMEDIES

15. The McCloud and Matthews remedies mean that there is a significantly increased volume and complexity of work relating to Firefighters Pensions. Some of this work is the responsibility of the employer and some the responsibility of the pension administrator. Fuller details are provided in regular updates to the Firefighters Pension Board.
16. Due to the complexity of the issues involved, additional resources are being called on both from within the service and the shared services partnership. Currently the additional costs are covered by Government grant.

PENSION QUERY RESOLUTION

17. For any active employees with queries relating to their pension deductions, they will need to contact the IBC Pensions Administration Team via Self Service, using their ESS portal to raise an enquiry. The team will provide a response to the individual or signpost them to relevant information. A range of self service information, including payslips and P60s is also available to employees through their ESS portal. The team can also support with additional pension deductions and planning for retirement.
18. Pensioners and employees with queries about documentation relating to their pension at retirement will need to contact pension services. The primary way of contacting pension services is via the Pensions Portal. However, Pension Services can also be contacted by telephone or by post.
19. Both teams are committed to providing a high quality of customer service and regularly receive excellent customer satisfaction scores. However, if issues do occur, they can be dealt with either within the teams or by the service, including through the formal Internal Dispute Resolution Process.

CONCLUSION

20. This report has set out the robust arrangements relating to pensions that exist.

<h4><u>RECOMMENDATION</u></h4>

21. That the content of the report be noted by the HIWFRA Full Authority

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