



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

HIWFRA Standards and Governance Committee

Purpose: Noted

Date: **18 APRIL 2024 (FIREFIGHTERS PENSION BOARD)**

25 JULY 2024 (STANDARDS AND GOVERNANCE COMMITTEE)

Title: **FIRE PENSION BOARD ANNUAL REPORT (2023/24)**

Report of Chief Fire Officer

SUMMARY

1. This is the annual report from the Fire Pension Board to the Standards and Governance Committee and summarises the work of the Board for the 2023/24 financial year in the exercise of its functions.
2. This has been an important year in the implementation of both the Matthews and McCloud pension remedies. While the implementation of both remedies remain challenging, good progress has been made.

PENSION BOARD MEETINGS

3. The Pension Board met periodically, holding four meetings, during the 2023/24 financial year:
 - (a) 17 April 2023
 - (b) 5 July 2023
 - (c) 12 October 2023
 - (d) 29 January 2024
4. The July meeting saw the re-election of Stew Adamson to Chairman and Richard Scarth to Vice-Chairman. Both will hold the position until the first meeting of the Fire Pension Board following the annual general meeting of the Fire Authority in 2024.

5. The key items covered at these meetings are as follows, more detailed information about each of these items can be found later in the report.
 - (a) The Pension Regulator Scheme Returns
 - (b) Communications
 - (c) McCloud remedy
 - (d) Matthews remedy
 - (e) Pensions dashboards
 - (f) Risk review
6. Links to the pension board reports can be found in the appendix to this report.

TPR SCHEME RETURNS

7. Deadlines for TPR scheme returns were amended this year due to the McCloud pension remedy. This meant that the completion of the returns was reported in April 2024, retrospectively for the financial year 2023/24.
8. The returns include statistics on data quality for the schemes, covering generic and scheme specific data.
9. The table below shows the scores for year ending 31 March 2023 and the latest year 31 March 2024. The scores remain largely unchanged across the two years.

Year end	31/03/2023					
Scheme	Active	Deferred	Pensioner	Beneficiary	Common data score %	Scheme specific data score %
1992 Fire Pension Scheme	22	82	866	161	99	96
2006 Fire Pension Scheme	20	431	71	7	96	99
2006 Modified Fire Pension Scheme	2	47	107	6	98	98
2015 Fire Pension Scheme	1344	688	19	8	99	97

Year end	31/03/2024					
Scheme	Active	Deferred	Pensioner	Beneficiary	Common data score	Scheme specific data score
1992 Fire Pension Scheme	0	78	980	162	99	96
2006 Fire Pension Scheme	0	428	74	9	96	99
2006 Modified Fire Pension Scheme	0	43	109	9	97	97
2015 Fire Pension Scheme	1296	761	312	9	99	98

COMMUNICATION

10. Presentations on pre-retirement course and to new recruits have continued throughout the year. The feedback from these sessions is generally

positive, although firefighter pensions remain a complex topic and individual circumstances and levels of knowledge vary.

11. The Employer Pension Manager moved on to a new role in the Autumn. She left the service in a strong position to achieve a successful implementation of the McCloud and Matthews pension remedies.
12. The service continued to attend regular pension information sessions run by the LGA, HMRC and the NFCC. Representatives from Hampshire Pension Services, IBC Pensions Administration and finance attended as appropriate.
13. The Board also receive a regular report on pensions related communications.

MEMBER PORTAL

14. By the end of the financial year, scheme membership of the portal had reached 54.59%, up from 47.76% in January 2023. This steady increase is positive. Well over 50% of pensioner and active members are registered, with a lower percentage for deferred members.

McCLOUD AGE DISCRIMINATION REMEDY

15. Financial year 2023/24 marked a key milestone in the implementation of McCloud, with legislation taking effect from 1 October 2023. This means that firefighters retiring from 1 October 2023 will be offered a choice of benefits from the legacy or reformed schemes due to age discrimination that was identified by the courts in the original implementation of the schemes.
16. However, there remains a large cohort of firefighters who retired during the period 2015 to 2022, who will need to be offered options. In addition deferred and active members of the scheme will need to be presented with their options as part of their Annual Benefit Statements.
17. This work continues to prove challenging. Software to complete the calculations is not yet available and there are still some issues relating to tax and interest that need to be resolved.
18. However, the service remains on track to complete all the required work within the statutory deadline of 31 March 2025. The Board continue to take a keen interest in the progress of this work and to provide input and advice on communication and implementation decisions.

MATTHEWS REMEDY

19. The Matthews remedy applies to retained firefighters with employment between certain dates and via a second options exercise will allow members to backdate their membership of the Modified Fire Pension Scheme to the start date of their employment.
20. The legislation to allow this work to commence came into force on 1 October 2023. Members have been sent communications and approximately 25% of the potential cohort of approximately 1,000 members have responded to this communication to date.
21. Producing the calculations has proved challenging but an updated guidance and a calculator are now available and affected members are now beginning to receive information about their potential entitlements. Monitoring progress against the delivery of Matthews will be a key feature of the Board's work for the coming year.

RISK REVIEW

22. There are a variety 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.
23. These groups are now well established, meeting regularly and include representatives across the board from pensions, HR, finance and others.
24. The Board review the risk register at each meeting. During the 2023/24 year changes to the risk register relating to pension and HR resources and the McCloud pension remedy were made.

PENSION DASHBOARDS

25. During 2023/24 there has been some replanning and delay to the Pension Dashboards programme. The Board continue to receive updates as necessary. The delay does not have a significant impact on scheme members, as the information in the dashboards will not be meaningful until the work on the McCloud pension remedy is complete.

FUTURE ISSUES

26. 2024/25 will see the full implementation of both the Matthews and McCloud pension remedies. The Board will play a key role in scrutinising the implementation as well as providing input on approaches and communications.

27. The role of the new in-house HR team on pensions will evolve during 2024/25. The Board will play a crucial role in guiding the team to ensure that they are delivering effective support.

CONCLUSION

28. The Board has played an active role in dealing with a series of complex issues during the course of 2023/24. The focus of the Board has inevitably been on the pension remedies. This is likely to continue during 2024/25.
29. Despite changes to key personnel during the year, HIWFRA remains in a strong position, supported by strong working relationships between Hampshire Pension Services, IBC Pensions Administration, HR and the Chief Financial Officer.
30. The Board are engaged with pension issues and have both the technical knowledge and the motivation to have a positive impact.

RECOMMENDATION (to the HIWFRA Firefighter's Pension Board)

31. That the content of the annual report be approved for submission to the HIWFRA Standards and Governance Committee by the HIWFRA Firefighters' Pension Board

RECOMMENDATION (to the HIWFRA Standards and Governance Committee)

32. That the content of the report be noted by the HIWFRA Standards and Governance Committee

APPENDICES ATTACHED

33. APPENDIX A – Links to Firefighters Pension Board meetings for 2023/24

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