



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

HIWFRA FIREFIGHTERS' PENSION BOARD

Purpose: Noted

Date: **19 APRIL 2022**

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

Report of Chief Financial Officer

SUMMARY

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

FPS BULLETINS

2. LGA issue a bulletin at the end of each month; there have been three bulletins issued since the last Fire Pension Board report. The bulletins are emailed out to a variety of contacts but can also be accessed via the www.fpsregs.org website.
3. Bulletins 53, 54 and 55 can be found in APPENDICES A, B & C. There is a lot of information contained within these bulletins; the key items are set out below.

SAB LEVY (BULLETIN 53)

4. 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.
5. The Fire Minister approved the budget and the total Fire Pension Schemes levy for the 2021-22 year will be £9.16 per firefighter, this include the SAB levy of £6.88 and the FRA LGA levy of £2.28. A letter was sent by email to

Chief Fire Officers and HR Directors on 11 January 2022 advising them of this.

6. The levy is important as it provides us access to expertise from LGA and also ensures that we have a national consistent approach to communications, updates and training.

ABATEMENT UPDATE (BULLETIN 54)

7. A recent Pensions Ombudsman determination, which partially upheld the complaint, found that the FRA did not follow reasonable processes when exercising their discretion under rule K4 of the 1992 Fire Pension Scheme and making its decision to abate the members pension.
8. The main issue in this particular case is that the FRA had a blanket policy which stated that abatement would apply. The SAB's legal adviser confirmed that it would have been fine for the policy to state that only in exceptional circumstances would abatement not apply, but even then, the FRA would need to show on a case by case basis that consideration was given as to whether any exceptional circumstances existed.
9. We have therefore asked HR to review the abatement policy in place for HIWFRA to determine if any amendment is required.

FPS 2015 REMEDY FACT CHECKER (BULLETIN 54)

10. In February the LGA published a fact checker document designed to try and answer some of the main queries about remedy and the pension changes from 1 April 2022. The document has also been added as a new page to the fps member website. This document was published in Routine Notice in March and the relevant links made available to staff.

COST CONTROL VALUATION 2016 FINALISED (BULLETIN 55)

11. Following HM Treasury's publication of Amending Directions in October 2021, the Home Office has finalised the 2016 valuation for the Fire Pension Scheme providing certainty on the outcome to scheme members.
12. On 16 March 2022 the final outcome was published confirming a breach to the cost cap ceiling of 14.6%. The Government had announced that any ceiling breaches found when schemes complete the 2016 valuations would be waived. This means that no member will face reduction in their benefits as a result of the 2016 valuation.

13. The report also confirms that the cost control element of the 2016 valuation is not used to set employer contribution rate and changes to the employer contribution rates resulting from the 2020 valuations will take effect from April 2024. The Government has announced proposed reforms to the cost control mechanism which would be implemented in time for the 2020 valuations.

PSP&JO BILL GETS ROYAL ASSENT (BULLETIN 55)

14. The Public Service Pensions and Judicial Offices Act 2022 received royal assent on 10 March 2022 and is now an act of Parliament. This is the primary legislation which confirms that prospective remedy comes into force on 1 April 2022 and that retrospective remedy comes into force by 1 October 2023.
15. This Act of Parliament tells us what will happen and when it must happen by and it is for the secondary legislation to tell us how it will happen.
16. The Police and Firefighters Pension Scheme (Amendment) Regulations 2022 were laid on 21 March 2022 and comes into force on 1 April 2022. This is the first part of the secondary legislation which is for prospective remedy which closes the legacy schemes as at 31 March 2022 and moves all existing members to the 2015 Scheme.
17. The second part of the secondary legislation, which is for retrospective remedy, will provide the detail of how remedy will work, this is due to be consulted on later in the year.

FINANCE ACT 2022 GETS ROYAL ASSENT (BULLETIN 55)

18. The Finance Act 2022 received royal assent on 24 February 2022 and comes into force on 6 April 2022. Sections 9 and 11 will have a consequential impact on the 2015 remedy for Fire Pension Schemes.
 - (a) Section 9 extends deadlines in relation to Annual Allowance for both reporting and electing for Scheme Pays
 - (b) Section 11 provides HM Treasury powers to make regulations to address tax impacts that arise as a result of McCloud remedy

RECOMMENDATION

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

APPENDICES ATTACHED

20. APPENDIX A - [FPS Bulletin 53](#) (January 2022)
21. APPENDIX B - [FPS Bulletin 54](#) (February 2022)
22. APPENDIX C – [FPS Bulletin 55](#) (March 2022)

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