

AT A MEETING of the HIWFRA Firefighters' Pension Board held at Fire and
Police HQ, Eastleigh on Tuesday, 25th January, 2022

Chairman:

* Stew Adamson

Vice-Chairman

* Richard North

* Sean Harrison
Councillor Roger Price
* Ross Singleton

* Mark Hilton
* Richard Scarth
* Dan Tasker

* Present

20. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Roger Price.

21. 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 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.

No interests were declared.

22. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting held on the 14 October 2021 were reviewed and agreed.

23. DEPUTATIONS

There were no deputations on this occasion.

24. CHAIRMAN'S ANNOUNCEMENTS

The Chairman reminded Board Members that they would need to complete a disclosure of pecuniary interests form, if this had not already been done.

25. LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT

The Board received an update on Legislation and the Local Government Association (LGA), Item 6 in the Minute Book.

Officers presented the report to the Board and highlighted key areas. In relation to the Firefighters' Pension Scheme website, it was noted that more information had been added to the website to help provide a better understanding on issues such as 2015 Remedy. Officers set out the current situation around the cost cap element of the 2016 valuation, and highlighted that the Government had announced that they would waive any impact on member benefits. Board Members also heard that a legal challenge had been launched against HM Treasury about including McCloud remedy costs in the cost control mechanism, but there were currently no timescales for this challenge. It was also noted that on 2 November 2021, the Finance Bill had been formally introduced to Parliament, and this would help with issues around McCloud remedy. In relation to a question around tax issue complexities and pensions, it was heard that this was now becoming easier to work through.

RESOLVED:

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

26. FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW

The Board received a report which provided an update on ongoing issues (Item 7 in the Minute Book), and also the Board's Risk Register for review. The report was introduced and key issues were highlighted.

Board Members attention was drawn to paragraphs 4 – 6 of the report which explained the annual Pension Regulator scheme returns, and the table at paragraph 6 presented a comparison between 2020 and 2021 data. It was noted that the 2021 data included Isle of Wight transfer of pension data, and officers were working through this data. The current position with registration to the member portal was highlighted, and it was heard that the number of registrations was slowly increasing, and this would improve over time with new starters required to register, and retirees having to register to access relevant pension information. A discussion ensued around further communication to encourage portal registration, and Board Members agreed that further focussed communication around the time of the issuing of Annual Benefit Statements would be beneficial, and also communication about the CARE scheme. The Employer Pension Manager also highlighted her continued attendance at new recruit courses to present on pensions.

Paragraphs 15 – 19 detailed the issue of historical contribution rates being applied incorrectly as part of the transfer to the Combined Fire Authority, which had resulted in a number of members underpaying pension contributions. It was heard that HIWFRA would have to pay the missing contributions to the pension scheme, and Board Members were asked their views on whether some, none or all contributions should be collected from members affected. Board Members were of the view that if affordable from reserves transferred from Isle of Wight Council (IWC), then those affected shouldn't have to pay the missing contributions. Officers confirmed that this would be affordable from reserves. The Pension Board supported HIWFRA paying the missing contributions from reserves transferred from IWC, and that those members affected should be contacted to inform. An additional resolution was agreed to recommend this to the relevant decision maker.

Other issues in the report relating to Fire and Rescue Authorities self-assessment survey and the McCloud remedy working group were highlighted. In relation to the working group it was noted that the letter that had been drafted to be sent to current protected members of the police and fire pension schemes to advise them of scheme changes from 1 April 2022, would be sent out imminently.

Officers set out to Board Members the situation around the Immediate Detriment Framework (IDF) at paragraphs 35 – 45 of the report. The decision by HIWFRA on the 16 November 2021 to adopt the Framework and start to accept applications from members was noted, but it was heard that since then, new information had come to light which had led HM Treasury (HMT) to state that Immediate Detriment cases cannot be processed before legislation is in place without considerable risk to individuals, schemes and employers. Officers presented these risks in detail to Board Members. As a result of this, on the 14 December 2021, the Chief Finance Officer took the decision to temporarily suspend all ID work, and not to accept new applications. Officers have since engaged with other Fire Authorities and it was heard that most have suspended ID also. A discussion ensued, and Board Members had concerns around the ramifications for those members who were due to retire, but officers explained that to offer ID could cause members to be in a worse position financially because of personal tax liability. Board Members asked officers to examine whether ID could be applied in exceptional circumstances such as health grounds, which could leave individuals in a hardship situation by not applying ID. Officers would look at this in more detail, but ultimately this would be a decision for HIWFRA, and at its February meeting, HIWFRA would be asked to agree the continuation of the ID suspension until the May meeting of HIWFRA Standards and Governance Committee, where it was hoped that a final decision on ID would be made. Due to the continuing high levels of uncertainty and risks for both HIWFRA and individuals, the Board was supportive of the continued suspension of the framework. The Chairman of the Board confirmed that he attends HIWFRA meetings and would be able to reflect the views of the Board.

RESOLVED:

- i) That the content of the report be noted by the HIWFRA Firefighters' Pension Board.
- ii) That the Risk Register as set out in paragraphs 22 – 23 and Appendix A be approved by the HIWFRA Firefighters' Pension Board.
- iii) That the recommendation to support the continued suspension of the Immediate Detriment Framework as set out in paragraphs 46 – 61 be noted by the HIWFRA Firefighters' Pension Board.
- iv) That the HIWFRA Firefighters' Pension Board recommend that HIWFRA or HIWFRA Standards and Governance Committee, whoever has the relevant governance remit, pay the missing historical contributions from reserves transferred from IWC, and all members affected are contacted to inform.

Chairman,