

Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

Date: Tuesday, 21 July 2020
Time: 2.00 pm
Venue: To be held virtually via Microsoft Teams

1. General

(1) Board Members' Disclosures of Interests

As stipulated by the Public Sector Pensions Act 2013 and set out in Annex A of the Agreed Board Terms of Reference.

(2) Apologies

(3) Minutes of the Meeting 26 February 2020 3 - 6

2. Fire Pension - Current Pension Issues 7 - 10

3. Pension Administration Update

4. Next Steps

5. Next Meeting

The next meeting was confirmed for –

26 November 2020 at 2pm.

The meeting will be held virtually via Microsoft Teams.

Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

Disclaimers

Webcasting and permission to be filmed

Please note that this meeting will be filmed for live broadcast on the internet and can be viewed online at warwickshire.public-i.tv. Generally, the public gallery is not filmed, but by entering the meeting room and using the public seating area you are consenting to being filmed. All recording will be undertaken in accordance with the Council's Standing Orders.

Disclosures of Pecuniary and Non-Pecuniary Interests

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. A member attending a meeting where a matter arises in which s/he has a disclosable pecuniary interest must (unless s/he has a dispensation):

- Declare the interest if s/he has not already registered it
- Not participate in any discussion or vote
- Must leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests must still be declared in accordance with the Code of Conduct.

These should be declared at the commencement of the meeting

The public reports referred to are available on the Warwickshire Web

<https://democracy.warwickshire.gov.uk/uuCoverPage.aspx?bcr=1>

Public Speaking

Any member of the public who is resident or working in Warwickshire, or who is in receipt of services from the Council, may speak at the meeting for up to three minutes on any matter within the remit of the Committee. This can be in the form of a statement or a question. If you wish to speak please notify Democratic Services in writing at least two working days before the meeting. You should give your name and address and the subject upon which you wish to speak. Full details of the public speaking scheme are set out in the Council's Standing Orders.

**Minutes of the meeting of the
Warwickshire Fire & Rescue Pension Board of the Firefighters' Pension Scheme
held on 26 February 2020**

Present:**Chair**

Keith Bray

Employers' Representatives

Barnaby Briggs- Assistant Chief Fire Officers

Katie Brown – HR Management (Fire)

Dawn Suckling – Finance Manager Communities

Employees' Representatives

Marcus Giles – Fire Brigades Union (Fire and Rescue)

Paul Morley – Fire Officers Association (Fire and Rescue)

Tony Morgan – Retained Firefighters Union

Officers

Helen Barnsley, Democratic Services Officer

Liz Firmstone, Service Manager (Transformation)

Andrew Marson, Pension Fund Administration Lead

1. Introductions and General business**(1) Apologies**

Apologies for absence were received from Marcus Giles and Tony Morgan

(2) Board Members' Disclosures of Interests

None

(3) Minutes of the meeting held on 27 November 2018

The minutes of the meeting of the Board held on 27 November 2018 were agreed as an accurate record for signing by the Chair. There were no matters arising.

It was agreed that meetings will be held every six months as per the regulatory guidelines.

2. Fire Pension – current pension issues

Dawn Suckling Finance Manager Communities, presented the report, three updates

- i) With reference to the McCloud/Sargeant case it was noted that the case is still ongoing. The board is fully aware of the situation and members are awaiting final outcomes. The latest Home Office briefing was circulated to the board

- ii) In relation to pensionable pay for on call fire fighters, it was confirmed that officers are still awaiting a final decision on back pay and how far back it will need to be paid. It was confirmed that funds have been set aside for this but it is hard to estimate what the full impact will be at this point
- iii) In relation to the outsourcing of pension advice; it was confirmed that officers are working with other fire services to look at how to move forward but currently a lack of resources available is slowing progress down.

It was confirmed that Dawn Suckling is going to the Fire Finance Network meeting on 2 March 2020 so will be able to feed back to the board at the next meeting.

3. RDS Part Time Worker regulations – oral update

Katie Brown, HR Management (Fire) stated that there was a fire specific update about the issue in relation to RDS part time worker regulations.

Previous regulation had stated that RDS workers could join the pension scheme from 2000. There is a case currently at tribunal regarding RDS workers being bale to join the pension scheme from the start of their employment, even if this was before 2000. It was confirmed that officers are waiting for an outcome but this could potentially cost the fund a lot of money,

It was noted by the board that there was a gradual change from using the phrase “RDS workers” to “On call Fire Fighters”. The Board was asked to bear this in mind as there may be documents soon that refer to both.

4. Pension Age Discrimination case – oral update

Katie Brown, HR Management (Fire) confirmed to the Board that officers are waiting for final Home Office guidance on the age discrimination case as discussed under Item Two.

5. Next Steps

Barnaby Briggs confirmed that at a previous meeting of the Board there had been an acknowledge that the board needs fire specific, external pension advice.

For example, who would members of the pension fund go to in order to find their Scheme Reference Number? Or information in relation to retirement?

Andrew Marson, Pension Fund Administration Lead stated that he would expect the administration team to be able to provide help and guidance on the processes needed to find information, and to help members understand options, eligibility etc.

It was agreed that the Board would look to create more formal relations with other fire services in order to proceed. There are several authorities who are keen to grow their fire pension administration and who already have some structures in place.

The Chair stated that communication would need to be improved from both sides; employers and employees. The board requested information on how this would be done, and who would take ownership because the next meeting is scheduled for six months' time.

Action point – Pension administration to work closely with fire pension representatives ahead of the next meeting on how to move forward. A report will be presented at the next meeting.

6. Any other business

Barnaby Briggs asked if the Board should we have an elected member? It was confirmed that an elected member would be an employer representative but at the moment, there were no vacancies on the board.

ACTION POINTS It was agreed that a report would be presented at the next meeting in relation to Board membership; including timescales involved in being a member of the Board.

Helen Barnsley will contact Marcus Giles regarding his position on the fire pension board since his retirement and confirm if he wishes to continue.

7. EXEMPT ITEMS FOR DISCUSSION IN PRIVATE (PURPLE PAPERS).

8. Exempt Minutes of the Meeting held on 27 November 2018

The exempt minutes of the meeting of the Board held on 27 November 2018 were agreed as an accurate record for signing by the Chair. There were no matters arising.

9. Pension Ombudsman Case – oral update

Katie Brown, HR Management (Fire) provided an update on a case that had been to the Ombudsman.

An individual retired 2014, but then returned in green book part time role (civilian member of staff). The individual then went full time but did not update HR. It was also confirmed that the individual did not abate his pension and as a result they now owe over £10k to the fire pension scheme. The case was then taken to Independent Dispute Resolution (IDR) but the complaint was not upheld.

The Ombudsman has recently been in touch in relation to another complaint from the individual; the claim is that the fire service did not responded to a stage 2 IDR; however, the fire service did not receive the second complaint.

It was confirmed to the Board that the required information has now been sent to the ombudsman and officer are awaiting the result.

The board rose at 15:08

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Chair

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Report To:	Warwickshire Fire & Rescue Local Pension Board of the Firefighter's Pension Scheme
Report Title:	Current Pensions Issues - Update
Report Author:	Caroline Jones
Date:	21 July 2020

Decisions Required	<input type="checkbox"/>	Endorse Recommendations	<input type="checkbox"/>	For Information	<input checked="" type="checkbox"/>
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Insert 'X' where appropriate

No.	Contents:
1.	Recommendations
2.	Purpose of Report
3.	Executive Summary
4.	Conclusions
5.	Analysis
6.	Financial Implications
7.	Appendix

1. The Recommendations of this report are:	
No.	Recommendation
R01	That the Board notes the report updates provided

2. Purpose of Report

- 2.1 The report gives details of issues affecting the service in relation to pensions expenditure and also to costs that could affect the pensions fund.

3. Executive Summary

- 3.1 This report contains updates on the following areas:
- FPS England 2020 Valuation
 - Protected Pension Age (PPA)
 - Annual Benefits Statements
 - Raising Tax Awareness
 - Administration Strategy Consultation
 - Transitional Protection Pensions Claims
 - Pensionable Pay challenge – On Call Firefighters
 - Fire Administration Update
 - Pension Board Membership

4. Conclusions

- 4.1 Further updates will be provided in the next report as all issues are ongoing at present.

5. Analysis

5.1 FPS England 2020 Valuation

5.1.1 On 3 June 2020 the Government Actuaries Department (GAD) released the final data specifications for the 2020 valuation which have a deadline for the submission of data of 31 December 2020.

5.1.2 The software supplier for Pensions administration, Heywood, have developed a reporting tool which should extract all the information required and format it so that it can be uploaded to the GAD portal.

5.2 Protected Pension Age (PPA)

5.2.1 Due to Covid-19 the PPA tax rules were relaxed from 1 March 2020 to 1 June 2020. This has now been further extended until 1 November 2020.

5.2.2 The government has temporarily suspended tax rules that would otherwise give rise to significant tax charges to pension income received by recently retired individuals aged between 50 and 55. The relaxed rules apply to any public sector workers who returned to help support the Covid-19 response. This change, taken alongside complementary changes to rules for relevant public service pension schemes (subject to relevant HM Treasury agreement), will help ensure individuals' pension income will remain protected if they return to work at this important time.

5.2.3 It is the responsibility of the employer to ensure the correct rules are followed regarding PPA. Where a person is re-employed due to Covid-19, this should be clearly documented and shared with the board.

5.3 Annual Benefits Statements

5.3.1 Due to the ongoing age-discrimination tribunal and imminent arrival of the remedy consultation, the Fire Communications Working Group (FCWP) led by the Local Government Association (LGA) have provided a statement to go out with annual benefit statements to confirm that projections will still be included based on the current regulations. This is because any changes required to the software system as a result of the remedy consultation will not have been done before the Annual Benefit Statements are produced for 2020. The wording that will be used on the Annual Benefits Statements can be found at Appendix 1.

5.4 Raising Tax Awareness

5.4.1 The importance of communicating potential tax issues has been discussed at a recent meeting (FCWG) and standard wording has been provided, that should be included in job advertisements, this wording can be found at Appendix 1.

5.5 Administration Strategy Consultation

5.5.1 The Scheme Advisory Board (SAB) have made a recommendation following the

administration and management review conducted by AON, to development and implement a pension administration strategy.

5.5.2 One of the key proposals is that the strategy should include key performance indicators and expected timescales for completion of certain processes. A draft administration strategy has been created by (FCWG) and has been circulated to stakeholders for consultation which ends on 31st August 2020.

5.6 Transitional Protection Pensions Claim (McCloud/Sergeant case)

5.6.1 As reported previously, following the Court of Appeal's determination that the transitional provisions in the Firefighters' pension schemes resulted in direct age discrimination the next date for a remedy update is Friday 17 July.

5.7 Pensionable Pay challenge – On Call Firefighters

5.7.1 There is no further update to the position reported to this Board in February 2020.

5.8 Fire Administration Update

5.8.1 To progress the work on outsourcing Fire Pensions it has been agreed that supplier engagement will take place ahead of the tender process to ensure that we can obtain a better understanding of what services can be provided. A questionnaire has gone out to all fire Administrators regarding expressions of interest for undertaking the Firefighter Pension Schemes administration and pensioner payroll.

5.8.2 Within the project plan for the outsourcing arrangement it is expected that we will go out to tender in August with a view to awarding the contract in October 2020.

5.8.3 Work is ongoing to produce the annual benefits statements which are due to be sent out by 31 August 2020.

5.9 Pension Board Membership

5.9.1 It is understood that the current Chair of this Board would like to step down and therefore a replacement would need to be found. Whilst this will lead to a formal selection process for a replacement in due course, talks are ongoing with appropriate existing contacts to highlight the position's availability and assess potential interest.

6. Financial Implications

The financial implication of each issue is discussed in the analysis above.

7. Appendix

Appendix 1 - The Wording to be used in Annual Benefit Statements and Job Advertisements

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Annual Benefits Statements

On 20 December 2018, the Court of Appeal ruled that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters' Pension Scheme were discriminatory and, therefore, unlawful. Following this ruling, the Government accepted that all public service pension schemes were similarly affected and is currently working on removing discrimination from the schemes for all affected members. This work is complex and is going to take some time. More information can be found in written statement HWS187, which was released on 25 March 2020. As yet, there is still uncertainty around the final approach to removing discrimination and for this reason it has not been possible to reflect the impact of the ruling in your ABS this year.

You will therefore receive an estimate of the benefits built up in your current scheme membership to 31/03/2020 and a projection of benefits based on current scheme regulations to the normal pension age for the current scheme you are a member of.

Job Advertisements

Annual Allowance: Please note that it is your personal responsibility to check whether by applying/accepting this position it would result in any Annual Allowance implications. A breach in the Annual Allowance threshold could result in a Tax charge. Further information on Annual Allowance can be obtained from our Pensions team.

Lifetime Allowance: Please note that it is your personal responsibility to check whether by applying/accepting this position it would result in any Lifetime Allowance implications. A breach in the Lifetime Allowance threshold will result in a Tax charge. Further information on Lifetime Allowance can be obtained from our Pensions team.

Temporary Promotions/Positions: Please note that any period of 'temporary', whether that is by way of promotion or allowances associated with a temporary position, will be treated as non-pensionable.