

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

Pensions Administration Activity and Performance update

9 June 2021

Recommendation(s)

1. The Local Pension Board to note this report.

1. Executive Summary

- 1.1 This report updates the board on key developments affecting Fire pensions administration and the performance of the Pensions Administration Service (PAS).

2. Financial Implications

- 2.1 All financial implications are dealt with in the body of the report.

3. Environmental Implications

- 3.1 None

4. Pensions Administration Service (PAS)

Breaches

- 4.1 The Pensions Regulator (the Regulator) has a Code of Practice no 14 (the Code) for the governance and administration of public service pension schemes. This is not a statement of law, but it carries great weight. One of the requirements of the code is to record and report, when stakeholders do not deliver on their statutory obligations.
- 4.1 There are no breaches recorded for the year so far.
- 4.2 The Breaches Policy will be discussed as a separate report.

5. Internal Disputes (Internal Dispute Resolution Procedure – IDRP)

5.1 There are currently no new outstanding IDRP cases. Of the cases listed in the previous board meeting:

1 case was upheld at Stage 1

1 case was not upheld at Stage 1

1 case was not upheld at Stage 1 and has now gone to Stage 2

6. McCloud/Sargeant Update

6.1 The McCloud project has commenced, and the PAS are in the planning phase of the work that needs to be done. We are currently waiting for a reporting tool to be made available by our software provider, to identify members in scope.

6.2 A data capture template has been created by the LGA with guidance notes and this became available at the beginning of May. This cannot be used until we have the reporting tool from our software provider, as this report will allow us to populate the template and request the data required from WCC payroll. We are still waiting on guidance where payroll data may not be available. However, it is unlikely that this will be an issue for this project.

6.3 As part of the project plan a risk register has been created to record specific risks relating to the administration of the age discrimination remedy. This is reviewed on a monthly basis and any issues reported directly to the project management group.

6.4 **Immediate detriment cases** – There are currently legal challenges being raised against other Fire services around the use of the Home Office guidance for immediate detriment cases. Warwickshire County Council has joined a collective organised by the Local Government Association to gain legal advice on the use of this guidance.

6.5 In relation to the question raised in the last board meeting regarding ill-health cases and specific notes to these in the immediate detriment guidance, the criteria for ill health cases listed in the guidance is:

For the purposes of this guidance, immediate detriment includes those scheme members who were in service on or before 31 March 2012 and on or after 1 April 2015, including those with a qualifying break in service of less than 5 years, and who did not benefit from full protection and were moved into the 2015 Scheme on or after 1 April 2015:

who don't qualify for lower-tier (and therefore higher-tier) ill-health pension under the single pot Ill-Health Retirement (IHR) arrangement BUT would do so under the IHR arrangements in their legacy scheme.

6.6 Members can assume that ill health benefits payable from final salary schemes are always better than those payable from the one pot CARE

scheme, which is not always the case. In these cases, it is important to share with the member both sets of benefits from both the final salary and CARE schemes so that they can see the comparison.

6.7 With regard to the total number of immediate detriment cases WFRS have, approx. 70 members who would be able to retire between 1st April 2021 to 30 September 2023- this is the date that all immediate detriment cases would need to clear, once regulations are in place.

6.8 A question was raised at the last pension board meeting regarding bulletin 42 issued by the LGA in February. There were several questions raised regarding the use of the immediate detriment guidance and whether this provides enough information for Fire Services to make decisions and understand the risk to their organisation. The questions and responses can be seen in Appendix 1.

7. Matthews/O'Brien Case – modified retained second exercise

7.1 There has been no update to this since the last board meeting.

8. I-Connect

8.1 From March 2021, we will be receiving pay and contribution data from WCC payroll to member records via i-Connect on a monthly basis. This will help to keep records up to date and reduce the manual updates.

9. Annual Benefit Statements

9.1 The Annual Benefit Statements project has commenced. The team are planning the timescales and resources for the different elements of work that must be completed and holding regular project meetings.

10. Pension Schemes Bill/ Pension Schemes Act 2021

10.1 On 11 February the UK Pensions Scheme Act received Royal Assent. The Act sets out changes of which not all will be relevant to the LGPS, the following is expected to be relevant to the Fire schemes:

10.2 Pensions dashboards: The Money and Pensions Service (MaPS) is to deliver a non-commercial dashboard. The Act provides a framework to support pensions dashboards, including new powers to compel schemes to provide information. We will be required to feed in information and regulations will specify the detail of what, when and how information must be provided.

11. Firefighter Pensions Administration outsourcing

- 11.1 A working group with representatives from pensions, payroll, legal, procurement and the Fire service, has been set up to finalise the Invitation to tender (ITT) documents for the outsourcing of the administration service.
- 11.2 The date of transfer is currently set as 1st April 2022, and we hope to issue the ITT by the end of June to allow for a suitable transfer and implementation period.
- 11.3 Shropshire Fire & Rescue service (SFRS) are working with WFRS to undertake a joint tender. However, the tender will involve 2 Lots, 1 for each service and 2 separate contracts.
- 11.4 A briefing note has been provided to the board regarding the ITT, as it is the intention to have the tender out by 1st June 2021.

12. Timescales associated with the decision and next steps

- 12.1 None

Appendices

Appendix 1 – response to question from LGA bulletin 42

Background Papers

1. n/a

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The report was circulated to the following members prior to publication:

Local Member(s):

Other members: