

# Warwickshire Local Fire Pension Board Annual Report 2020/21

## Report by The Independent Chair

### Purpose of Report:

To report to board members on the activities of the Warwickshire Fire and Rescue Local Pension Board of the Firefighter's Pension Scheme and the Scheme Manager in 2020/21.

### Background

The Public Service Pensions Act 2013 introduced a framework for the governance and administration of public service pension schemes, including the establishment of Local Pension Boards.

The Warwickshire Fire and Rescue Local Pension Board of the Firefighter's Pension Scheme ("the Board") was thus established. The Terms of Reference for the Board were last approved by Council on 1st July 2021.

A Scheme Manager must by law be appointed for the Firefighter Pension Schemes. For Warwickshire, the Scheme Manager is the Council's Section 151 Officer. Under the Council's scheme of delegations, the role of Scheme Manager has been delegated onwards to the Assistant Director of Finance.

### Report

#### 1. Board Membership

- 1.1. The Board is made up of an equal number of employer and employee representatives, with an additional Independent Chair appointed directly by the Council.
- 1.2. In July 2020 the previously appointed Chair expressed a wish to step down from the role, necessitating the recruitment and appointment of a new Chair. The appointment of Mr Martin Reohorn as the Independent Chair was ratified by Council in December 2020, with the first meeting chaired being in March 2021.
- 1.3. As a consequence, this Report covers the period prior to the current Chair's tenure and the information provided has been supplied by the officers supporting the Board.
- 1.4. There have been two changes of members of the Board in 2020/21 and there are currently no vacancies.

#### 2. Format of meetings

- 2.1.1. Normally a minimum of three meetings are held per year. However, as a result of external circumstances, the meetings of 2020/21 were unusual. The meeting scheduled for 16 March 2020 was cancelled at short notice due to the Covid-19 pandemic. 16 March 2020 was the day that Government guidance came into force requiring that all workers who could work from home should do so. Due to the late cancellation, papers had already been circulated to Pension Board members. The Scheme Manager was available to answer any queries regarding the reports

2.1.2. The meeting held in June 2019 was not quorate. The meeting went ahead with the notes of the meeting being formally approved and ratified by a quorate meeting in October 2019.

Although meetings during the 2019/20 financial year did not follow normal protocol, this is considered to be an anomaly due to unusual circumstances rather than a cause for concern. The situation is being monitored during 2020/21.

2.2. Meetings are held virtually and could during the period of this report be viewed via YouTube. Viewing figures for the two meetings held were:

Date of meeting	number of views
4 <sup>th</sup> March 2021	15
26 November 2020	29

2.3. The meeting agenda and papers, together with the minutes of the previous meeting, are published on the Authority's website 5 days prior to the meeting date.

2.4. Board members are required to declare any potential conflicts of interest to the Scheme Manager prior to each meeting, in line with the Local Firefighter Pension Board's Conflicts of Interest Policy.

### 3. Training

3.1. The Pensions Regulator has published a Code of Practice for the governance and administration of public service pension schemes and this code sets out the requirement for Board members to achieve and maintain knowledge and understanding sufficient to enable them to carry out the role of Board member. Board members and supporting officers have been made aware of the Code and its requirements

3.2. There have been several training opportunities for the Board, including:

3.2.1. the opportunity to attend the annual LGA Fire Pensions Conference.

3.2.2. one to one training with the scheme manager; training presented by the Authority's pension administrator and training at Board meetings.

3.2.3. online training available on the Pension Regulator website which members of the Board are encouraged to complete.

3.3. Each Board member has completed a training needs analysis and the Board has a Training Policy. A record of all training is maintained by the Scheme Manager.

### 4. Board Activity

4.1. Since the Local Firefighter Pension Board was set up in 2015, the work of the Board has been shaped by the Board members and by Officers supporting the Board. In particular the appointment, in July 2020 of a specialist individual as Pension Administration Delivery Lead has significantly improved support to the Board, by providing training and regular communications.

4.2. An overhaul of the governance arrangements for Firefighter Pension Schemes has taken place including a review of policies and training for members of the Board.

4.3. The Board receives regular reports including

4.3.1. a report from the Pension Administration Team.

4.3.2. review of Scheme statistics

4.3.3. updates on data quality measures – in line with the Pensions Regulators requirements

- 4.3.4. updates on current pension issues.
- 4.3.5. the Fire Pension Risk Register.
- 4.3.6. overview of IDRPs cases (but not individual cases).

## 5. Current Issues

### 5.1. The judgment of the McCloud/Sargeant and the Treatment of Immediate Detriment Cases.

- 5.1.1. As a result of the Court of Appeal's judgment in the McCloud/Sargeant case, where the Court found that the transitional arrangements relating to the 2015 Firefighters' Pension Scheme amounted to age discrimination, it has changed the way in which the Pension Scheme Administrator should treat those firefighters who have already retired and are in receipt of their pension or are approaching retirement (known as "Immediate Detriment" cases).
- 5.1.2. In a subsequent Employment Appeal Tribunal ("EAT") judgment in February 2021, the EAT rejected the argument that FRA's were bound by the pension legislation to act towards its employees in a way which, as decided by the McCloud/Sargeant case, is discriminatory, i.e. the FRAs in their capacity as scheme manager could have decided not to follow the discriminatory legislation.
- 5.1.3. Whilst the Government has made it clear its intention to legislate to remove any discrimination and are in the process of making the necessary amendments to the relevant Pension Regulations, the Home Office issued informal guidance ("Immediate Detriment Guidance") on how Scheme Managers should treat the Immediate Detriment cases in the interim.
- 5.1.4. The Board has sought assurances that the Scheme Manager has properly considered its approach to the Immediate Detriment cases prior to any changes in legislation. Regard has been given to advice provided from the Local Government Association, The Home Office, legal advice provided both internally and externally and from the approaches of other administrators to the issue.

### 5.2. Pension Scheme Administration.

- 5.2.1. A process is underway to seek alternative providers for the Pension Administration and pensioner payroll services, and some soft market testing was undertaken. In October 2020, this process was paused to allow cleansing of data in response to the data quality report and the work required to improve data quality. The procurement process has now been completed (September 2021) and a new provider has been selected.