

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

6 November 2023

Governance and Policy Update

Recommendation

That the Warwickshire Fire and Rescue Local Pension Board notes and comments on the Regulatory updates affecting Firefighter Pension Schemes set out in this report.

2nd Modified Retained Exercise

On 8 September 2023, Government laid [Firefighters' Pension Schemes \(England\) \(Amendment\) Order 2023](#), which came into force on 1 October 2023. These regulations now allow for retained firefighters in scope to purchase membership in the 2006 scheme.

The Scheme Manager is now identifying all members who fall within scope, to advise them of the changes and to invite those who wish to purchase membership in the 2006 scheme to do so.

Firefighters' Pensions (Remedial Service) Regulations 2023

The Firefighters' Pensions (Remedial Service) Regulations 2023 and came into effect on 1 October 2023. This follows various consultations by the government regarding its remedies in response to the McCloud/Sargeant age discrimination cases.

These regulations now mean that all members in scope will be rolled back into their legacy scheme (Final Salary) for the remedy period (1st April 2015 to 31st March 2022).

Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023

The Public Service Pensions Act 2013 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided.

These valuations will inform the future contribution rates to be paid into the schemes by employers. The 2013 Act, when taken together with regulations made under it and the Public Service Pensions and Judicial Offices Act 2022, also provides for the introduction of a reformed cost control mechanism to ensure that the benefits of the pension schemes remain fair to members and taxpayers.

The Directions, made under the 2013 Act, implement this policy.

HM Treasury is publishing Directions which revoke and replace the previous Directions due to the extensive changes necessitated by the reforms to the cost control mechanism, and to ensure that the 2020 valuations of the public service pension schemes can be completed using updated assumptions.

The Treasury has a statutory duty to consult the Government Actuary before making the Directions. The Treasury completed this statutory consultation during August 2023.

4. Financial Implications

The Home Office have confirmed that the expenditure for Age Discrimination Remedy, including compensation payments, will be paid out of the Annual Managed Expenditure (AME) top up grant. The Fund awaits further detail.

5. Environmental Implications

None

6. Timescales associated with the decision and next steps

The 2nd Modified exercise should be completed by April 2025 as set out in the regulations.

Appendices

None

Background Papers

None

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

Local Member(s): Cllrs Dahmash and Gifford

Other members: n/a