

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

12 February 2024

## 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.

#### 1. Executive Summary

1.1 This Report provides a summary of governance issues relating to the firefighter pension schemes and policies.

#### 1.2 2020 Valuation – Firefighters Pension Scheme (England)

On 21 December 2023 the Government announced that the Government Actuary Department had completed its valuation of the Firefighters' Pension Scheme (England) and published the results of the 2020 Valuation.

The actuarial report shows that the employer contribution rate will rise by 8.5% to 37.6% of pensionable pay from 1 April 2024 to 31 March 2027.

Further information regarding funding is expected in the New Year.

#### 1.3 Lifetime Allowance Removal

The Government is currently legislating through the Finance Bill 2023-24 to fully abolish the lifetime allowance from 6 April 2024 and put in place new rules to determine the tax treatment of pension lump sums.

This will affect members of the Fire Pension scheme that access their benefits after 06 April 2024.

#### 1.4 Terms of Reference & Conflicts of Interest Policy

The Terms of Reference and annexed Conflicts of Interest Policy for the Fire Pension Board have been reviewed.

There are no material changes to the Terms of Reference.

The Conflicts of Interest Policy has been updated to more closely reflect

the Council's usual arrangements for the handling of declarations of interest.

A copy is attached for comment in Appendix 1.

#### 1.5 Delegated Functions of Scheme Manager

At the previous meeting, the Board requested confirmation of the identity of the Scheme Manager of the Fire Pension Scheme for Warwickshire. Under the relevant regulations, the Scheme Manager is the Council as the Fire and Rescue Authority. In the past, the functions have been delegated onwards to the Chief Fire Officer. A recommendation will be made to the Staff and Pensions Committee in March that the functions are delegated to the s151 Officer in line with the LGPS and other finance-related functions of the Council. This will be more clearly reflected in the Council's constitution. This will not impact on the arrangements for the administration of the Firefighters Pension Schemes which is currently outsourced to West Yorkshire Pension Fund. The Chief Fire Officer will continue to deal with disputes at Stage 2 of the IDRP.

## **2. Financial Implications**

- 2.1 The 8.5% raise in employer contribution rates to 37.6% will increase the employer contributions liability from 1 April 2024 to 31 March 2027.
- 2.2 The fire fighters pension scheme is a pension scheme where benefits paid to members are paid from employee contributions, employer contributions and Government funded top ups.
- 2.3 Treasury have confirmed funding will be available for the first financial year and will fully cover the liability. The position post 2024/25 will be considered as part of the Treasury spending review in summer 2024. The increase in employer contribution rate has been taken into account in medium term financial planning.

## **3. Environmental Implications**

- 3.1 There are no environmental implications arising directly from this report.

## **4. Timescales associated with the decision and next steps**

- 4.1 None

## Appendices

### Appendix 1 – Terms of Reference and annexed Conflict of Interest Policy

## 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