

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

17 June 2024

Governance and Policy Update

Recommendation

That the Warwickshire Fire and Rescue Local Pension Board notes and comments on the governance and 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 policy updates.

2. Policy Updates

- 2.1 No pension policies have been updated for review this meeting. The service is working on a full discretions review for the firefighters' pension schemes and will present this at the September 2024 meeting, as per the forward plan.
- 2.2 Last meeting, the Board asked about the Pension Regulator's 6 key processes and sought confirmation that these processes are in place. Officers can confirm they do have the 6 key processes in place. Which are:
- documented procedures for assessing and managing risks;
 - a process for resolving contribution payment issues;
 - a documented policy to manage board members' conflicts of interest;
 - a process to monitor records for accuracy / completeness;
 - access to knowledge, understanding and skills needed to properly run the scheme; and
 - procedures to identify, assess and report breaches of the law.

3. Regulatory Updates

Firefighters' Pension Scheme (England) (Amendment) Regulations 2024

- 3.1 On 21 February 2024 the Firefighters' Pension Scheme (England) (Amendment) Regulations 2024 were laid before parliament and came into force from 27 March 2024. The regulations amend the Firefighters' Pension Scheme (England) Regulations 2024 to allow for provision of unpaid carer's

leave to be included in calculating pensionable service.

- 3.2 The regulations also remedy an error in the Public Service Pensions Revaluation Orders for 2021 and 2022 where projected data was used instead of actual data. West Yorkshire Pension Fund will make the necessary administration changes needed to correct the error that occurred in the 2021 and 2022 revaluation orders for affected members' benefits.

McCloud

- 3.3 The Local Government Association (LGA) has been working on resources for members affected by the age discrimination remedy and have now created a video on their website which explains the Remedial Service Statement that will be issued. They have also issued a "contribution adjustment" member factsheet. The factsheet explains when a contribution adjustment will occur and how it will be actioned. It also sets out points to consider with regards to the timing of when an adjustment will take place. Members will be signposted to the factsheet in their Annual Benefit Statement Remediable Service Statement (ABS-RSS). Details of these new resources have been shared with Fire Authority staff.

Second Retained Exercise

- 3.4 For the Matthews second retained exercise a new Government Actuary Department (GAD) calculator and guidance were issued on 12 March 2024. The calculator fixes some issues that had been identified within the previous version. However there have been some further issues identified with the new calculator and the service remains in communication with the LGA and other regional colleagues to identify cases affected and any fixes available.

Scheme Valuation

- 3.5 In the last report board Members received an update on the 2020 valuation results and the employer contribution rate change as a result of the valuation. Further information regarding funding has now been received, and it can be confirmed that on 6 February 2024 the Home Office wrote to Chief Fire Officers and Finance Directors setting out the funding position for 2024/25. This letter included information on funding support for the increase in employer contributions as well noting an additional one-off grant that will be shared between FRAs to help with the increased administration costs due to the age discrimination and Matthews remedies.

Pension Dashboards

- 3.6 On 25 March 2024 the Department for Work and Pensions issued a written ministerial statement on pension dashboards connection guidance. The statement provides an update which includes the new staging timeline.
- 3.7 It is a legal requirement for trustees or managers and pension scheme providers to have regard to the connection guidance as part of meeting their

obligations. The connection guidance confirms that the public service pension schemes connection date is 31 October 2025. Whilst Warwickshire Fire Pension Schemes' connection to the pension dashboard is to be via the West Yorkshire Pension Fund administration system, it is the Fire Authority's responsibility as scheme manager to ensure that their data is ready to connect to the dashboard by 31 October 2025.

- 3.8 The Pension Regulator (tPR) has provided an update as to what they expect from scheme managers with regard to the pensions dashboard and have issued new guidance. TPR expects scheme managers to be able to demonstrate how they have had regard to guidance and may consider enforcement action where necessary. The Pensions Dashboard Programme publishes regular FAQ newsletters about the Pensions Dashboards and the Programme which can be found on their website.
<https://www.pensionsdashboardsprogramme.org.uk/>.

The Pensions Regulator Code of Practice

- 3.9 The new Pension Regulator Code of Practice came into force from 28 March 2024. The service is reviewing the new code and any changes that will be needed as a result. The code introduces a new section around pension scams and cyber security which had not been covered in previous guidance. Training for Board Members has been arranged in relation to these new subjects, taking place in April and May. Aon, a pension actuary firm, has been engaged to carry out a governance review and a compliance check in relation to the new code. This work is due to start in summer 2024.
- 3.10 The Local Government Association has launched its new Local Pension Board Training. Available dates are London on 18 September 2024 or an online meeting on 23 January 2025. If Board members are interested in attending, please contact the Fund who will arrange the booking.
- 3.11 The sessions are aimed at members of Fire Local Pension Boards with attendees hearing from a range of speakers including:
- Local Government Association;
 - Scheme Advisory Board;
 - Fire LPB Effectiveness Committee Chair;
 - The Pensions Regulator; and
 - The Pensions Dashboard Programme.

Lifetime Allowance

- 3.12 The legislation to complete the abolition of the lifetime allowance, included in the Finance Act 2024, received Royal Assent on 22 February 2024. Further legislation will be published through regulations, effective from 6 April 2024. The new legislation introduces new tax regulations for maximum pension commencement lump sum, maximum death benefits lump sum and rules in relation to taxable limits on transferring pension overseas.

4. Financial Implications

4.1 There are no financial implications arising directly from this report.

5. Environmental Implications

5.1 There are no environmental implications arising directly from this report.

6. Timescales associated with the decision and next steps

6.1 None

Appendices

None

Background Papers

None

	Name	Contact Information
Report Author	Lisa Eglesfield, Pension Administration Service Manager Ian Morris, Membership Team Manager	lisaeglesfield@warwickshire.gov.uk ianmorris@warwickshire.gov.uk
Director	Virginia Rennie Interim Director of Finance	vrennie@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Peter Butlin, Deputy Leader and Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

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

Local Member(s): n/a

Other members: Cllrs Dahmash and Gifford