



## **Surrey Local Firefighters' Pension Board April 2021**

### **Scheme Management Update Report**

#### **Introduction:**

1.1 The Board has requested an update on Scheme management activities.

#### **2.0 Scheme Management Activities**

##### **2.1 Age discrimination remedy**

2.2 Age discrimination remedy consultation response was published on 4 February 2021 by HM Treasury (HMT). The response confirmed that discrimination will be dealt with in two parts. To remove future discrimination from the schemes and ensure equal treatment, all remaining protected members who are not members of FPS 2015 will transfer into the scheme on 1 April 2022. For benefits built up during the period of discrimination (1 April 2015 – 31 March 2022), unprotected and taper members will be credited with final salary build-up in their original scheme. At retirement all members will be able to keep their legacy final salary benefits or choose to receive the CARE benefits that they would have built up in the same period. Further policy decisions are needed in some areas. The Home Office will consult separately on changes needed to the Firefighters' Pension Scheme Regulations to enact the remedy.

2.3 The most recent FPS Bulletin 43 – March 2021 includes the LGA project management approach to age discrimination remedy and the continued close working with government departments and Firefighters' Pension Scheme (FPS) stakeholders to support FRAs through the implementation of the remedy and they have produced a high level Project Implementation Document, setting out the scope, deliverables and high level timeline for the project. The FPS Bulletin was published on 31 March and the Scheme Manager will continue to update the LFPB.

## 2.3 Training

2.4 Local Firefighters' Pension Board (LFPB) members and delegates took part in a training session provided by the LGA Senior Pension Advisor and the Firefighters' Pension Advisor on 17 March 2021. The training focused on immediate detriment following the judgement on 12 February 2021, regarding transitional protections pensions claims: Schedule 22 appeal. This appeal was based on the argument that the FRAs did not make the legislation which was found by the Court of Appeal to be discriminatory on grounds of age but were bound to follow it because it was the law. The Employment Appeal Tribunal (EAT) held that the FRAs cannot rely on Schedule 22 defence. FRAs now need to determine whether they have necessary information available to them to make decisions and undertake a risk assessment. The training focused on the role of the LFPB to support the Scheme Manager and undertake the relevant level of scrutiny. The Scheme Manager and the Pensions Project Manager joined the training session as well.

2.5 The Scheme Manager has attended a NFCC/LGA Co-hosted seminar on immediate detriment. A second seminar co-hosted by NFCC/LGA took place on 8 April 2021, this included an update on Age Discrimination, the latest legal position and the complexities the Sector are facing. Alongside the guidance and information sharing opportunities the Scheme Manager has met with the current Pensions Administration Team to discuss next steps, the recently published PID will inform the conversations moving forward and the risk assessment will be shared with the LFPB.

## 2.6 Pension Regulator Six Processes Factsheet

2.5 The first FPS bulletin of 2021 included the release of the latest version of the Pension Regulator six processes factsheet, updated to reflect the results from the Pensions Regulator's most recent Governance and Administration survey. Scheme Managers and LFPB were asked to consider the six key processes factsheet, assess which they have in place and take action to address any gaps. The six processes are:

- Documented policy to manage board members conflicts of interest
- Access to knowledge, understanding and skills needed to properly run the scheme
- Documented procedures for assessing and managing risks
- Process to monitor records for accuracy and completeness
- Process for resolving contribution payment issues
- Procedure to identify, assess and report breaches of the law

2.6 The six key processes are in place in Surrey; however the Scheme Manager would like to request the support of the LFPB to review these processes to ensure

they remain current. It is recommended that the review is undertaken by the LFPB Chair and the Scheme Manager.

### **3.0 Project Update**

3.1 A new Project Manager was appointed at the beginning of March, following a gap in resources from Autumn 2020. The Project Manager is reviewing the activity under the workstreams highlighted in the January 2021 Scheme Managers report:

- Governance and Scrutiny Review
- Compliance with Fire Pension Scheme regulations and The Pension Regulators requirements
- System Integration
- Pension Administration
- Risk Management
- Pensionable allowances
- Retained firefighters access to the Modified Pension Scheme

3.2 The workstreams will be expanded to include the age discrimination remedy and a Pension Project Board meeting is being planned for April 2021.

3.3 The Pension Administration Project is underway following the review of administration arrangements at the end of last year. Meetings have taken place with the third party provider and contractual negotiations have reached a conclusion and the final contract has been shared for approval.

#### **3.4 Risk Management**

3.5 The Local Firefighters Pension Scheme (LFPS) Risk Register has been reviewed and is a standing agenda item on the LFPB (Item 8).

### **4.0 Summary**

4.1 The Board is asked to note the update provided and to advise if they support the review of the six key processes following the publication of the most recent TPR Governance and Administration Survey results.

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Report contact: Sally Wilson  
Contact details: [sally.wilson@surreycc.gov.uk](mailto:sally.wilson@surreycc.gov.uk)

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