



Surrey Local Firefighters' Pension Board August 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 The Service is still waiting on guidance from Home Office and Local Government Association (LGA). On the horizon is the immediate detriment. The Home Office has now issued an update to the existing informal and non-statutory guidance on immediate detriment cases. This can be found here: [Home Office informal detriment guidance 10 June 2021](#).

2.3 The guidance applies to pipeline immediate detriment cases (i.e. those cases where the member is about to retire and receive their pension) and does not cover where a pension is already in payment. This is technical guidance and aimed primarily at pension managers and practitioners.

2.4 To implement remedy in full, both primary and secondary legislation is required, as well as administration work (at local Fire and Rescue Authority (FRA) level) to implement the changes. The deferred choice underpin will be implemented by October 2023.

2.5 As a result, the guidance does not offer resolution to all the current issues – there are outstanding technical issues that are being worked through across the public sector pension schemes and the responsible Government departments. The updated guidance aims to provide ways forward where possible.

- 2.6 The guidance provides informal advice but the overall responsibility for interpreting and applying the pension scheme regulations remains with each FRA as the relevant scheme manager. FRAs and administrators will need to consider the guidance in relation to their own process and systems.
- 2.7 Following the release of the updated informal Home Office guidance on 10 June 2021, the LGA released a communications note that FRAs may use to respond to increasing number of enquiries about immediate detriment. The note has been provided for FRAs to use if required to update scheme members on the current position and highlights that the recent Home Office guidance is informal and does not deal with pension scheme members who have already retired. It confirms that FRAs have the power to calculate and pay pension benefits from the legacy final salary schemes under Section 61 of the Equality Act. This rule means that members can be treated as though they did not move to the FPS 2015. However, while Section 61 gives the legal power to make payments, it cannot deal with all knock on effects of remedying the pension benefits and so making payments now would mean acting in advance of final Government policy decisions which have not been made. The update also confirms to members that acting in advance of Government policy carries an element of risk, which might be outside of our control to manage.
- 2.8 The Scheme Advisory Board (SAB) survey of FRA's remedy arrangements closed on 30 June 2021. The Service has completed the survey and the data will be collated and analysed to provide a report to the SAB at its September meeting. The outcomes from the survey will provide SAB with a more detailed understanding of where FRAs are with remedy arrangements and the support required.

2.9 Scheme Sanction Charge (SSC)

- 2.10 Following further guidance regarding scheme sanction charges it was established that there is no provision in the Firefighters' Pension Scheme rules that allows for a SSC to be deducted from a member's pension benefits. This was addressed some time ago for members due to retire, however there were a number of members who were entitled to a refund. Letters have been issued and refunds paid in June payroll.

2.11 Modified

- 2.12 Letters have been finalised to go out to members that returned an Expression of Interest Form (EOI) and members where an EOI was not received. The letter is an update to members acknowledging that it has taken longer than expected to put the quotations together given the volume of EOIs received from retained firefighters. It also highlights that there has been a number of further enquiries about the 'modified scheme' from retained firefighters who did not manage to complete the EOI within the required deadline. The letter confirms we have, therefore, written out again to all those retained firefighters who have not yet responded, and have given them until 31st December 2021 to complete and return the EOI.

2.13 Pensionable Allowances

2.14 Letters have been drafted to go out to members affected by pensionable allowances (10%). The letters should be finalised prior to the Local Firefighters' Pension Board meeting (LFPB).

2.15 Training

2.16 Training is a standing agenda item for this Board. A training register has been created to record training sessions Members of the Board have attended plus events which are scheduled for later in 2021 that Members will be encouraged to attend. All Members of the Board have completed The Pension Regulator public service toolkit, a requirement set out in the Terms of Reference of the LFPB.

2.17 The Pension Regulator (TPR)

2.18 Further to our correspondence with TPR the Scheme Manager met with Members of the Board to discuss the response from TPR and the request for an update on the Pension Administration project, training arrangements and the modified pension scheme. The response was sent through to TPR and confirmation of receipt has been received.

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, unfortunately the Project Manager has now moved on. Recruitment is underway for a Senior Pension Advisor and a Pensions Project Support Officer. Interviews are due to take place at the end of July. Until these positions are filled there is no current resources available. The Scheme Manager will continue to progress the priority items, pensionable allowances and modified.

3.2 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 an update is provided in the Pension Administration Report.

3.3 Risk Management

3.4 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.

Annex

Part 2 Annex - XPS Implementation. Item 10

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