

# West Midlands Fire and Rescue Authority

## Pension Board

**You are summoned to attend the meeting of Pension Board to be held on  
Thursday, 05 March 2020 at 15:00**

**at Fire Service HQ, 99 Vauxhall Road, Nechells, Birmingham B7 4HW**

**for the purpose of transacting the following business:**

## Agenda – Public Session

- |    |  |                |
|----|--|----------------|
| 1  | To receive apologies for absence (if any)                        |                |
| 2  | Declarations of interests  |                |
| 3  | Minutes of the Pensions Board on the 16 December 2019            | <b>3 - 18</b>  |
| 4  | Minutes of the Audit and Risk Committee held on 11 November 2019 | <b>19 - 30</b> |
| 5  | Pension Section Supporting Information March 2020                | <b>31 - 38</b> |
| 6  | Bulletin-27  | <b>39 - 48</b> |
| 7  | Bulletin-28  | <b>49 - 60</b> |
| 8  | Bulletin-29  | <b>61 - 70</b> |
| 9  | Pension Board Activity Log 2019 20 (2)                           | <b>71 - 74</b> |
| 10 | Pensions Board Work Programme 2019-20 (1)                        | <b>75 - 78</b> |
| 11 | Risk Register<br>Verbal Update                                   |                |

- 12 Training
- 13 Update on Topical, Legal and Regulatory Issues (Verbal Report).
- 14 Date of next meeting  
The next meeting will be held at 1500 hours on Monday 8 June 2020 at Fire Service Headquarters

**Distribution:**

Neil Chamberlain - Independent Chair, Wendy Browning-Sampson - Employer Representative, Julie Felton - Employer Representative, Adam Harper -Scheme Member Representative, Emmett Robertson – Scheme Member Representative, Kal Shoker – Employer Representative, Alan Tranter – Scheme Member Representative

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**This agenda and supporting documents are also available electronically on the West Midlands Fire Service website at [www.wmfs.net](http://www.wmfs.net)**

## Pension Board

Item 3

16 December 2019 at West Midlands Police Headquarters

Attendance: Neil Chamberlain (Chair),  
Alan Tranter, Employee Representative  
Emmett Robertson, Employee Representative  
Wendy Browning Sampson, Employer  
Representative  
Kal Shoker, Employer Representative  
Julie Felton, Employer Representative  
Paul Gwynn, Pensions Adviser  
Karen Gowreesunker, Clerk to the Authority  
Observer: Councillor C Miks, Chair,  
Audit and Risk Committee  
Clair Alcock, Bluelight Senior Pension Adviser

### 42/19 **Apologies**

Apologies were received from Adam Harper.

### 43/19 **Minutes of the meeting held on 10 September 2019**

The minutes were approved as received as a correct record of the meeting.

It was noted that Item 31/19 on page 8 of the agenda pack was incorrect and should read”

“It was confirmed by Wendy Browning-Sampson that reviews are not undertaken every three years.”

The actions arising from the minutes were discussed.

23 The Auditors Report had been circulated.

24 The number of leavers and starters formed part of the supporting information report.

25 The Risk Register was an agenda item for the meeting.

26 Feedback on the Risk Register would also be discussed during the meeting.

27 Feedback from the Audit and Risk Committee would be covered by the report from Paul Gwynn.

28 Paul Gwynn would continue to check GAD news and circulate.

29 The Activity Log had been updated.

The Chair requested that the Action Log be completed before future meetings.

44/19 **Minutes of the Audit and Risk Committee held on 29 July 2019**

The minutes of the Audit and Risk Committee held on 29 July 2019 were received.

45/19 **Minutes of the Audit and Risk Committee held on 2 September 2019**

The minutes of the Audit and Risk Committee held on 2 September 2019 were received. The Committee had made two decisions at their meeting and details would be provided by Paul Gwynn as part of his Supporting Information report.

46/19 **Risk Register March 2019**

The Risk Register had been updated and Members had been requested to comment by the end of October 2019. Kal Shoker requested that the Risk Register should be colour coded to match the Corporate Risk Register as this helps to make items stand out. It was recommended that Wendy Browning Sampson contact Strategic Hub about the Corporate Risk Register.

In light of the recent court ruling on the Transitional Regulations and the how the awaited remedy would impact on the Risk Register.

It was recommended that two further risks be added to the Risk Register:

- Financial Risk of Remedy
- Inability of Administrators to deal with the impact of remedy

#### 47/19 **Pension Section Supporting Information**

The Board received an update from the Pensions Adviser including the Firefighters' Pension Schemes Membership as at 30 November 2019. There had been less retirements subsequent 2015 scheme. There had been an increase in the number of Opt Outs. The cause for the number of Opt outs was generally the cost, but many Opt back in at a later date. The Opt Outs included those who had opted out following auto-enrolment.

In answer to an enquiry from the Chair, Clair Hey confirmed that it was difficult was often the reasons given were hard to understand and each case had a different story and there were not enough patterns. There is usually a trigger for individuals and further reform may cause many more opts out.

It was confirmed that the Payroll and Pensions Team and People Support Services talk to recruits as do the Fire Brigades Union.

Paul Gwynn confirmed that he had emailed half a dozen of those who had opted out and the primary reason for opting out was cost.

#### **Opt Out Levels and Reasons**

During the 12 months to 31 August 2019, 72 members opted out of the schemes. Of these 68 were from the 2015 and 4 from the 2006 scheme. 44 of these were members who had been auto-enrolled on 1 June 2019 and had deductions taken in that month.

The remaining 28 members had an average length of service of 2 years at the date of opt out.

83 new recruits were enrolled in the scheme contractually during the year and 10 of those had opted out within 6 months of joining. The remainder continued to be members.

The most popular driver for opt outs appeared to be cost and lifestyle and average age was 36 and in Paul's opinion many are getting married or starting a family. New recruits are informed of the benefits of the scheme, particularly the employers contribution the scheme. It is also explained that they can recover their contributions within 3 – 5 years of starting. The Board discussed the reasons why people leave the scheme.

### Predicted Starters and Leavers

The predicted starters and leavers were set out in a table for the years 2019/20 to 2024/25.

	20	19/20	20/21	21/22	22/23	23/24	24/25
Starters		83	77	62	67	62	57
Retirements		71	65	50	55	50	45

There had been 5 IDRP cases, in one case the Authority had purchased additional pension for a member to recognise that there had been poor communication, in a second case the member was allowed to complete a new option form. A further response was awaited in respect of Stage 1 from a third member. Members of the Authority had been asked to hear a Stage 2 hearing and legal advice was awaited in this matter.

### Ill Health and Injury Pensioners

The Board were informed that there are 724 Pensions who retired due to incapacity and are in receipt of Ill Health Pension under the rules of the Schemes. Of these 198 also have an injury pension. 6 pensioners receive injury pension but not an ill health pension. 5 of these cases relate to deferred pensioners whose pensions came into payment

early due to ill health. One case is an individual who retired following an on duty injury under the 1966 scheme. A full list of those individuals has been provided to HR managers for review.

It was confirmed that the Service does not review under the 1992 regulations.

1 or 2 are in the 2015 regulations  
2 or 3 are in the 2016 regulations

It was confirmed that the rules allow the organisation to review those individuals, on a frequency to be decided by the Scheme Manager, as long as the individuals have been receiving a pension for ten years and are not of an age where they could retire on age grounds.

Paul Gwynn confirmed that the name of 13 individuals, who are receiving ill health pensions, had been passed to Wendy Browning Sampson for consideration. A report would then be prepared for the Audit and Risk Committee for the Scheme Manager to make a decision.

For the individual they would need to see an independent, qualified medical practitioner for a determination on whether they would be able to undertake the work of a firefighter or meaningful work.

This would need to be agreed and reported back to both the Pension Board and Audit and Risk Committee. The Board requested that further information be provided on the costs, the regulations, best practice and the plan for reviews to take place in the future.

Kal Shoker enquired about the 6 pensioners who received an injury pension but not an ill health pension. Paul Gwynn stated that they were retired from deferred status, ill health and potentially injury pension and then retired or left the scheme and subsequently health deteriorates.

Ordinary pensioners not an ill health pension, they may get injury pension on 1966 scheme.

Alan Tranter enquired about GAD. It was confirmed that this had not been updated on the system as it related to retained members and officers do not have the relevant software due to the cost and therefore not worthwhile. There were only 1 or 2 members and they could be picked up individually.

### Scheme Manager Decisions

The Scheme Manager had been requested to make two decisions at its meeting on the 2 September 2019.

The first decision was in the case of a member of the 2006 scheme who wished to discontinue the purchase of additional service by periodical payments. The Scheme Manager decided to allow this request.

The Scheme Manager was also asked to determine whether an allowance paid to a member of the Technical Rescue Unit for having responsibility for the unit's dog should be classed as Pensionable Pay. The decision was that the payment was pensionable.

### Other Issues

The Employee Representatives would be undertaking a review on behalf of the Board into the application of split pensions.

### Data Review and Scoring

Paul Gwynn reported a score of 98% in respect of the latest measurement of common data. The score was based on a local view and had not been calculated using the SAB guidance. Scheme specific data had not been measured. A data review is currently ongoing though no timescales for completion or improvement had been set.

It was noted that a data improvement process was not in place but was a requirement of the Regulator. All of the data for Membership sits within cabinets in the Section and the data is available through systems.



99.5% of the data is complete but cannot be proved and the Board were asked to consider this. It was noted that it would be a large piece of work and was subjective, but in reality this leaves the Scheme Manager vulnerable and the Board needed some assurance that there was a plan regarding the data.

Julie Felton stated that a piece of work was currently being undertaken in respect of Occupational Health documents and suggested that the external company may be able to undertake the work to create a data base and quotes could be obtained, dependent upon budgets.

Paul Gwynn stated this would assist with possible future office moves and agile working in the future.

The Chair of the Audit and Risk Committee was horrified to hear about the files and recommended that the work was undertaken as soon as possible.

Karen Gowreesunker confirmed that a report would need to be prepared for the Audit and Risk Committee setting out the recommendations to the Committee and would the financial implications. It was recommended that Paul Gwynn liaised with Mike Griffiths, Strategic Enabler, Finance and Resources in respect of the preparation of the report.

The Chair felt there were two issues involved:  
Manual documents  
Accuracy of the data being held

He requested that assurance be given to the Board on these issues and Paul Gwynn agreed to confirm the scheme specific information for the next Board information and then the data storage, a large piece of work, would be commenced.

The Board noted that only two organisations have their own internal pension departments. The Pension and Payroll team were not creating large paper files and had been stripping files out and scanning. There were 2,500 files only.

### Salary to be used for Benefit Purposes

Adam Harper had raised a number issues and the Payroll and Pensions Manager would be meeting Adam at Headquarters to review the current process.

The feedback from the Firefighter Pensions Conference was discussed as part of the agenda item on training.

### McCloud Judgement – Administration meeting 18 December 2019

The initial meeting to set the timeframes and scope for remedy in the McCloud case was due to take place on 18 December and it was expected that the initial announcement regarding the treatment of members transferred from the 1992 to the 2015 scheme would be made on the 16/17 December 2019.

The impact of the announcement could not be estimated but would probably result in additional work for the Payroll team in January and increased costs to the Service. The Board were asked to consider additional board meetings or to monitor the progress of any work resulting.

Paul was concerned about the remedy and how the ABS would be calculated. There was a major risk that the system would not be able to produce anything which was not ideal unless a solution could be reached. Some outsourced providers had been withdrawn and there was a risk that others would withdraw because of the remedy.

18 December 2019 was a key date and also the January date, however, Clair confirmed that the remedy would not be issued as soon as January. Information would be shared with Senior Management. The remedy would only apply to complainants. This had not happened in previous cases with Police or Judges and this had been escalated to the Home Office.

### 48/19 **Bulletin 24**

The FPS Bulletin 24 was noted.

49/19 **Bulletin 25**

The FPS Bulletin 25 was noted.

50/19 **Bulletin 26**

The FPS Bulletin 26 was noted. Paul Gwynn requested that Members read the bulletins and to contact him with any queries.

Adam Harper had emailed Paul Gwynn on 19 September and had subsequently held a meeting with Paul and the issues had been addressed in the Pension Section Supporting Information. The three items would be combined into a review to be undertaken by the Employee Representatives on behalf of the Board. The final item was for the Board to consider a definition of what constitutes reasonable endeavours.

Reasonable endeavours related to the efforts made to contact firefighters to provide them with an opportunity to buy some 2015 pension. Letters had been sent to retained firefighters who had been at Sedgley. There had not been a response in the timeframe and but one person had queried this. The person had moved, however, the member was an active wholetime member of the pension scheme. It was accepted that an email could have been sent and the member agreed to buy some 2015 pension.

The Board discussed the issue and it was suggested that a Routine Notice could be sent out reminding people to keep their contact details up to date and it was an individual's responsibility to keep up to date. A portal was suggested and even placing a message on pension slips. However, it was noted that pension slips are not posted due to costs. A reasonable number of active members had email addresses. The problems arose when people had left the service or where they had died and not informed the team of their next of kin. The team also had the advantage of old files and thought that the team went over and above in respect of reasonable endeavours to find someone.

Emmett Robinson felt that the quarterly updates provided covered everything and Kal Shoker stated that the benefit statements provided another method of checking.

It was suggested that Wendy Browning-Sampson and Paul Gwynn come up with a solution to remind members that they have an obligation to keep their records up to case.

Clair Hey stated she would share the details of a case where the Ombudsman had agreed that an Authority following a that had made reasonable endeavours to contact a Member.

It was noted that representatives were being sought to joint the Fire communication Group and Technical Working Group.

51/19 **Times Up for Pension Scammers**

The Board noted The Pensions Regulator's summer 2019 edition of their Regulatory round-up for scheme managers.

52/19 **Governance Administration – Risks public service pensions – The Pensions Regulator**

The return had been submitted and a copy would be added to the TEAM site for reference

53/19 **The Pension Regulator Public Service Governance Survey 2019**

Paul Gwynn, Kal Shoker and Wendy Browning-Sampson had completed the Survey and it was suggested that in future, the TEAM chat should be utilised so that all members of the Pension Board would have access.

The Survey had been signed off by the Chair of the Audit and Risk Committee and it was suggested that the signing of the survey be added to the Audit and Risk Committee Workplan for future years. The Board agreed that Paul Gwynn should forward the survey on their behalf.

## 54/19 **Training**

Update on Pension Board Training in Shropshire  
Feedback from Annual Pensions Conference.

Wendy Browning-Sampson, Julie Felton and Adam Harper had attended the basic pension board training in Shropshire. This was seen as a top up to the training received in December 2018. It had been very useful for the new members of the Board as they had now received the same training as the rest of the Board. It was agreed that notes from the training would be placed in the TEAM documents folder for future reference.

Paul Gwynn had attended both days of the Annual Pension Conference in September 2019. The first day had focused on the role of the Scheme Manager and Councillor Miks, Chair of the Audit and Risk Committee had attended.

The second day had been a more technical event and had been attended by Adam Harper, who had found the event useful. Several relevant issues had been discussed including the outcome of the Benchmarking review and possible national Key Performance Indicators.

Councillor Miks stated that she found the Conference useful, but felt that the timings should be adjusted to earlier in the day.

Emmett Robinson had attended a training event in London and stated this had been a good experience. He had also met with Paul and felt that the general training should be early in the Employee Representatives time of office to achieve the best value from the training.

The dates for future training opportunities and Conferences would be added to the Pension Board Activity log.

## 55/19 **Pension Board Activity Log 2019/20**

The activity log to be updated for the next meeting.

56/19 **Pension Board Work Programme 2019/20**

The work programme was noted. The Board wished to factor in training and annual events and requirements.

57/19 **Topical legal regulatory issues**

The Board were informed that the Regulator was taking a greater interest in the public sector. The West Midlands Pension Board had been approached, as it was one of the larger schemes, by The Pension Regulator to visit the Board and meet with the Members and Members of the Audit and Risk Committee. They will be looking at information and providing feedback in the form of a management report early in the New Year. The Board were recommended to look at the Pension Regulators site particularly in respect of Relationship Supervision. Contact would be made early in the New Year and the Chair requested further information for the next Board Meeting. Paul Gwynn agreed to brief the Scheme Manager in January 2020.

In respect of the Court ruling in respect of retained firefighters, Paul Gwynn confirmed that a modified exercise had taken place a number of years ago. The 2006 Scheme would now be modified back to the 2001, and subsequently the Judge had stated there should have not been any restriction to access pension schemes and Members should be allowed to access any pension scheme. The outcome of the court case was expected in January 2020. Halesowen and Bilston had been confirmed as being retained stations. Paul Gwynn had been required to contact everyone to ask them to contact the Pension Team to confirm if they had worked at those stations. There were approximately 15 at each station. It was agreed that Paul Gwynn would report back to the next meeting on the number of people involved, however, it was noted that not all would be found.

The outcome of the McCloud case was awaited and it was intended to publish further details by Friday 20 December and brief the Board at the same time.

Kal Shoker recommended using the retired and serving firefighters facebook page and other forms of social media such as yammer and twitter to contact previously retained firefighters. He also suggested contacting NARF.

58/19 Date and Time of Next Meeting

The next meeting of the Pension Board was scheduled for March 2020. Alan Tranter requested that consideration be given to holding the next Pension Board on the same date as the SAB LPB Pensions Effectiveness Committee on 5 March 2020 in order that members of both groups could meet.

59/19 Training Session

Following the meeting, Members of the Board together with the members of the Audit and Risk Committee received formal Scheme Manager Training.

Julie Connor Strategic Hub 0121 380 6906 Email: Julie.Connor@wmfs.net
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## Pension Board

16 December 2019

## Actions

30	Wendy Browning Sampson to contact Strategic Hub re Risk Register	
31	Risk Register to be colour coded to match Corporate Risk Register	
32	Additional Risks to be added to Risk Register	
33	Report to be prepared for the Audit and Risk Committee on ill health pensions	Draft Prepared
34	Paul Gwynn to liaise with Mike Griffiths re report for Audit and Risk Committee on data base quotes	Completed
35	Paul Gwynn to provide Scheme specific information	In Progress
36	Wendy Browning Sampson and Paul Gwynn to find solution to be remind Members to keep their records up to date	-
37	Governance Administration Return to be added to TEAM site	-
38	Public Service Governance Survey to be sent off and added to the Audit and Risk Work Programme for 2020/21	In Progress
39	Training Documents to be added to TEAMS	WBS – 8 October 2019
40	Paul Gwynn to brief Scheme Manager on Pension Regulator	Complete
41	Paul Gwynn to report on the number of retained members	Verbal update to be provided at next meeting



42	Paul Gwynn to provide an update on the outcome of McCloud Case	Verbal update to be provided at next meeting
43	Activity Log to be updated	Julie Connor has updated



<b>Minutes of the Audit and Risk Committee</b>
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Item 4

11 November 2019

At Fire Service Headquarters, Vauxhall Road,  
Birmingham B74HW

**Present:** Councillor Gill (Vice Chair), Miller and Spence and Mr Ager  
Councillors Brackenridge, Barlow and Dehar (Observing)

**Apologies:** Councillor Catherine Miks (Chair)  
Councillor Barrie

55/19 Declarations of Interest

Councillor Brackenridge declared a non-pecuniary interest as he is in receipt of a fire service pension.

56/19 Minutes of the Audit and Risk Committee held on 2 September 2019

The minutes of the Audit and Risk Committee held on 2 September 2019 were approved.

57/19 Vacant Residential Properties

David Gardiner, Head of the Facilities Management team, attended the meeting at the request of the Audit and Risk Committee and gave a detailed update on the Vacant Residential Properties at:

**Kings Norton** – 6 flats, 7 houses – there are access issues (health and safety and security), 2 of the 7 houses are occupied by secure tenants and it may be possible to commercially lease two of the remaining houses. 2 of the flats have been merged and leased as offices.

Planning permission would take 12 – 18 months. There wouldn't be any onsite parking, but the station has good access to public transport.

**Erdington** – 9 flats- there are access issues (health and safety and security). The flats are located above and therefore integral to the station. Of the 9 flats only 1 is currently empty – 2 are leased as offices, 1 is occupied by a secure tenant, the National Association of Retired Firefighters utilise a flat, 2 flats are used for cold training purposes and 2 flats are used for storage.

There was limited opportunities for disposal.

One Member enquired if it would be possible to demolish the station and rebuild. Officers stated that if this was to be considered they would be required to look at alternatives and possibly dispose of the site if the Authority chose to do this.

Another Member enquired if an architect had been asked to look at the site, as they sometimes have unusual ideas to get around difficult building problems. The Facilities Manager confirmed that an architect had looked at the site and ramped access to the first floor had been looked at but this would cause other problems with access to the appliance bay.

**Perry Barr** – 8 houses – there are access issues (health and safety and security). One of the 8 houses is occupied by a secure tenant. Planning Permission has been obtained to separate the houses from the station site but Officers are still trying to obtain consent from the Housing Association to the rear of the plot to access their driveway.

Discussions are being held with Midland Heart Housing Association regarding access to the houses via an unadopted road.

**Bloxwich** - 2 apartments – there are access issues (health and safety and security). The two apartments are located at the rear of the plot on the first floor level above an 'old' vehicle workshop, which is being used by Fire Service Cadets, and partial site disposal is not viable as there is no other access

The Old Bank Building that is on the site is being leased and does not lend itself to being sold.

One Member enquired if the whole site could be leased for the training of young people.

Another Member confirmed that she would love to see the properties being used due to the shortage of places to live currently.

The Facilities Manager agreed and was hopeful of a positive outcome with Midland Heart in respect of the houses at Perry Barr.

The Independent Member enquired why the Audit and Risk Committee were looking at this area, and asked if anyone had looked at the financial implications. The Facilities Manager stated that these would be considered, did not have the figures at the moment.

The proposed next steps were to prioritise Perry Barr (via the Housing Association negotiations) and Kings Norton (to consider part disposal of the site – flats).

## **58/19 Treasury Management**

The Committee received the Treasury Management Mid Year Review 2019/20.

The Authority approved its Treasury Management strategy as part of the Budget setting report in February 2019. The Authority was required to produce a mid year review report of its Treasury Management activities and request that Members approve its updated prudential and treasury indicators for 2019/20. The Appendix to the report provided economic background information.

The economic background information was as things were at the time of writing the report and therefore did not reflect recent events (e.g. announcement of the General Election).

The key Treasury Management Indicators to note were:

### **1. Capital Expenditure**

The Authority approved a £6.5m capital programme for the current financial year at its meeting in February 2019. This had since been updated to reflect the outturn position and financing decisions for 2018/19. The forecast outturn as at 30th

September for 2019/20 was £7.3m. The increase, which had been reported at the Authority meetings, was mainly due to slippage from the previous financial year. No borrowing had been undertaken to finance any capital expenditure during the first half of the current financial year.

## 2. The Authority's Debt

The Authority's total external debt as at 30th September 2019 was £36m of which £33.1m is in respect of borrowing undertaken with PWLB and the balance £2.9m is in respect of the Authority's share of the Ex WMCC debt. The estimated average rate of interest payable on this debt for the current financial year is 5.3%.

## 3. The Authority's Investments

As at 30th September 2019, the Authority's investments totalled £62.5m which are invested with Sandwell MBC as part of the treasury management arrangement the Authority has with them. Interest is received on the investments and is based on the average return achieved by Sandwell MBC plus 10 basis points which for the first six months of 2019/20 was 0.78%. This compares favourably to the benchmark, which is the average 7 day LIBID rate of 0.57%.

Cllr Brackenridge joined the meeting at this point of the meeting as an Observer.

The Internal Audit Progress Report was moved to the end of the agenda due to the two minutes silence.

## 59/19 Audit and Risk Update

Richard Percival from Grant Thornton stated that the Auditors were currently planning for the 2019/20 audit and would issue a detailed audit plan, setting out their proposed approach to the audit of the Fire and Rescue Authority's 2019/20 financial statements.

The Auditors will begin their interim Audit in January 2020 and will continue with this work until the end of January.

The Auditor set out the Progress made as at October 2019

Members attention was drawn to the PSAA contracts for all local authorities and that there may need to be a fee variation as there had been a number of developments within the accounting and audit profession. The Financial Reporting Council (FRC) had set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing.

Nothing had been decided as yet and the Auditor would be talking to the Treasurer about the matter. In the previous year (2018/19) the fee increase had related to pensions issues and asset valuations.

In the sector update there was nothing specific relating to fire and issues were more general.

There was also an increase in the complexity of Local Government financial transactions and financial reporting. This combined with the FRC requirement that all Local Government audits are at or above the “few improvements needed” (2A) rating means that additional audit work would be required.

The Committee received details of the National Audit Office – Code of Audit Practice. Which would be reviewed and a new Code laid in parliament in time for it to come into force no later than 1 April 2020.

The Committee received details of the House of Commons Committee of Public Account regarding Local Government Governance and Accountability. The Committee were critical of the Ministry of Housing, Communities and Local Government and the government’s overarching role was to ensure that, at a time when local authority budgets are under extreme pressure, governance systems are improved.

## 60/19 **Corporate Risk Update**

The Committee received a report requesting approval of Corporate Risk 1.1:

“Public Service Reform enables new duties and/or major changes to the governance, structure, role or activities of the Fire and Rescue Service requiring major re-organisation, resulting in an inability to deliver against organisational strategy and planned community outcomes.”

The Committee received six monthly updates of any significant risks and at the last meeting of the Audit and Risk Committee held on the 2nd September 2019, Members were informed that in Quarter 1, 2019/20 there was a decrease in Corporate Risk 1.1 External (Political and Legislative) Environment. This decreased from 6 (Likelihood 3 and Impact 2) to 2 (Likelihood 1 x Impact 2).

The recent review of this risk had recognised that the revision of the Authority’s strategy in February changed its approach to the development of locally commissioned work to support the wider prevention agenda, public service reform and the achievement of the financial efficiency plan. An impact of this was the need to adopt an approach to delivering front line services, flexibly enabling the management of resources on a daily basis to ensure the achievement of a balanced budget. This had reduced the Authority’s involvement in this activity and led to the discontinuation of the transfer of government reduced the reform of services for local communities.

It was considered that this risk was no longer relevant at a strategic level. There was currently limited to no risk of public service reform impacting on the delivery of strategy, statutory and core service delivery.

ACO Taylor explained that because of the revision of the strategy away from health services and changes in governance arrangements, i.e. reformation of the Fire Authority and withdrawal from the Combined Authority and Mayoral Governance, and having due diligence the risk was no longer relevant.

ACO Taylor reiterated the methodology of Corporate Risk and the reasons for the removal of Corporate Risk 1.1 As business development had been withdrawn and there was no desire to



move under the Mayoral Governance Model, the Service had a stable approach in these areas and would now focus on the remaining risks.

**Resolved** that the removal of Corporate Risk 1.1 from the Risk Register be approved.

#### 61/19 **Work Programme**

The Committee reviewed its Work Programme.

#### 62/19 **Update on Topical Legal and Regulatory Issues**

ACO Taylor informed the Committee that following the first full round of Inspections by Her Majesty's Inspector of Constabulary and Fire and Rescue Services a consultation exercise was being undertaken for the next round of Inspections.

CFOs and Service Liaison Officers would be completing the consultation by the 29 November 2019. The Inspectorate had asked for thoughts from Authorities on how the Inspection process could be improved and what other areas should be looked.

It was confirmed that the response would be made available to Members in the future.

The Chair of the Authority confirmed that himself and the Chief Fire Officer had met with HMICFRS to discuss the big issues. Chair's had been able to give their political view and many Services had similar feelings about the Inspection. The Chair also stated that the West Midlands Fire Service were amongst the top ten Brigades in the country and the only Brigade to receive an Outstanding mark for Operational Response.

It was felt that West Midlands would be Inspected again towards the end of the next tranche of Inspections. A further update would be provided in the future to Members following the consultation outcomes.

The External Auditor noted that at the Authority Meeting held on 30 September, as part of the Annual Audit Letter, a question had been raised in respect of Materiality and how it is applied.

The External Auditor stated that he is required to draw a conclusion on the accounts. The conclusion is to confirm that the accounts are ok and right, but the conclusion does not say that the accounts are totally correct.

The conclusion confirms that the accounts meet the threshold and are complete and accurate and any issues that are below the threshold, the Auditor would report them back to the Authority.

The External Auditor determines a level of materiality by using auditing standards. The Auditor would find it difficult to convert the textbook level and therefore looks for a sensible proxy and felt that the most appropriate level would be 2% of gross revenue expenditure. For the Fire Authority the benchmark is £2.4m.

The Service has a track record and the Treasurer provides a set of accounts, in accordance with CIPFA guidances. The Treasurer is well supported by his team and the Auditor has confidence with the accounts that are submitted.

The second key factor that the Auditor would look at, would be, if there was anything unusual with the accounts, e.g. if the Authority entered an unexpected transaction. This may bring the materiality level down.

Generally, added pressures may make the Authority think that they need to bring the materiality level down.

The External Auditor stated that from the quality of the accounts submitted in previous years, he was confident with the materiality level. If there were any issues, Members would need to make the Authority/Auditor aware.

The Meeting adjourned for the two minute silence

## 63/19 Internal Audit Progress Report

Mr Peter Farrow, gave a presentation on the role of Internal Audit including the Internal Audit Progress Report.

The presentation covered:

Internal audit which is a statutory service, and looks at governance, internal controls, risk management, and a definition of Internal Audit.

The Mission of Internal Audit is “to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”.

Core Principles for the Professional Practice of Internal Auditing

Public sector internal audit standards

Internal Audit Charter

The three lines of defence model

1. Service area-how managed
2. Corporate services
3. Internal auditors

The Internal Audit Plan contains:

- Planning Process
- List areas – 60 items
- Risk assess
- Financial impact
- Areas of concern
- Rag rated

Internal Audit Reports provide:

- Individual report for each review
- Scope and Objectives
- Testing
- Findings and Recommendations (RAG)
- Overall conclusion

Currently there was nothing to concern the committee and at the end of the year the Internal Auditor would give an overall assurance opinion.

The Internal Auditor has been able to give an unqualified opinion of reasonable overall assurance for a number of years.

This Opinion is based on absolute work that had been considered by the Auditor in his Annual Internal Audit Report.

The Auditor provides:

- CIPFA – Audit Committee Updates
- Audit and Risk Committee – Terms of Reference
- Internal Audit Plan 2019/20
- Internal Audit Annual Report
- Audit and Risk Committee Annual Report – assistance
- Counter Fraud information
- Ad hoc Training

The presentation also looked at the role of the Audit and Risk Committee and the National overview provided by the National Audit Office's report on local authority governance.

The External Auditor's review of local authorities was generally positive.

One Member enquired if the Auditor looked at areas not covered by the audit and whether they had adequate resources.

The Auditor stated that resources did play a part but that audits were not all resource driven but rather risk focused and the auditors would keep a watching briefing on issues arising and these issues would then be incorporated into reports

It was explained that some areas, as well as the three lines of defence may have another control e.g. The Health and Safety Executive and it would make sense to focus resources on another area that did not have additional controls.

At the end of year, the Treasurer or Finance Manager could suggest a contingency list of audits, however, the cost would need to be balanced. The Auditor stated that there were no major gaps but the Authority would need to consider the finances to pay for additional audits.

#### 64/19 **An Introduction to the Counter Fraud Unit**

The Committee received a presentation on Fraud Awareness from Mr Philip Tromans, Counter Fraud Investigator, from Sandwell Metropolitan Council. The presentation covered:

- Current Fraud Landscape
- CIPFA's Code of Practice on managing the risk of fraud and corruption
- Work of the Counter Fraud Unit
- Local Government Act 1972
  - Sections 111, 151, 222 and 223
- Other Legislation
- Awareness and Publicity
- Counter Fraud Unit 2018/19
- National Fraud Initiative Report
- CIPFA Fraud and Corruption Tracker
- Fraud and the Audit and Risk Committee
- Fraud Risk Register

The meeting closed at 1230 hours.

Julie Connor Strategic Hub 0121 380 6906 Julie.Connor@wmfs.net
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Item 5

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**PENSION BOARD**

**5 MARCH 2020**

**PENSION SECTION SUPPORTING INFORMATION**

**1. WEST MIDLANDS FIRE SERVICE FIREFIGHTERS' PENSION SCHEMES MEMBERSHIP AS AT 29 FEBRUARY 2020**

Active Firefighters	1,395	(+13)
1992 Scheme members	147	(-11)
2006 Scheme members	6	(No Change)
2015 scheme members	1,095	(+13)
Non-members	147	(+11)
Pensioners	2,210	(+2)
Dependants	399	(+2)

The figures in brackets indicate movement since 30 November 2019.

**2. ANNUAL ACTIVITY LEVELS**

2.1 During the last twelve months (01/3/2019 to 29/02/2020) the following levels of activity have been experienced:

Age Related Retirements	61	(+3)
Ill Health Retirements	0	(No change)
Opt outs	68	(-5)
Other leavers	10	(-14)
New joiners	99	(+11)
Applications to transfer in/out	29	(-4)

The figures in brackets indicate movement since 30 November 2019.

- 2.2 The section has also processed the requests shown in the table below and achieved the levels of performance shown.

<b>Request type</b>	<b>Received</b>	<b>Average Response time in days</b>
Benefit Estimate	118 (+9)	63 (-4)
CETV for Divorce	16 (nc)	23 (-16)
General Information	77 (+12)	165 (+157)

The response times for General Information have been raised due to the clearance of several cases which had been pending for a number of years. These cases were not covered by disclosure regulations but are reported for completeness.

### **3. INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)**

No further cases have entered IDRP since the last Pension Board meeting.

Of the three active cases two remain with the member and have not progressed, whilst the third is due to be heard by the Appeal Committee during March or April.

### **4. OPT OUT LEVELS AND REASONS**

Since the last meeting, seven members have opted out of the 2015 scheme. Of these two were members who had returned to employment following career breaks and opted out within three months of joining. Four members had been auto-enrolled in June and had now chosen to opt out. The remaining member had been in the scheme for almost 18 months.

### **5. Ill Health and Injury Pensioners**

As a result of discussions at the last Pension Board and further meetings with People Support Services, the attached report has been submitted for consideration at the next Audit and Risk Committee meeting.



**6. Action from FPS Bulletins 27 and 28**

Bulletin 28 asked Scheme Managers to provide some information regarding number of individuals immediately affected by the remedy announcement. A copy of the data submitted is attached to this report.

**7. Scheme Manager Decisions**

The Scheme Manager has made no further decisions since the last meeting but will be asked to decide the approach with regard to reviewing Ill Health retirements.

Two further papers will be submitted to the Scheme Manager for decisions on Pensionable Pay.

**8. Data Review and Scoring**

Further work has been undertaken with regard to data checking which indicates a score of 99.26% for Common Data. Work has begun on producing a score for Scheme Specific Data using the SAB guidance. Early indications give a score of 94.6%. The work is time consuming and it is not anticipated that completion will be achieved before 31 December 2020.

**9. McCloud Judgement – Update**

HMT are in the process of finalising a proposed solution to the McCloud case and expect to publish this for consultation shortly. We understand that the proposal will be for deferred choice. This means that members will be returned to their previous final salary schemes and on reaching retirement offered the option of choosing the benefits from that scheme or the 2015 scheme. This option, whilst being reasonably easy to understand for members, will require administrators to maintain two sets of records. It is vital that the impact of this on Payroll, Pensions, and HR teams is fully understood.

Paul Gwynn  
Payroll and Pensions Manager

Ref. AU/PB/2020/Mar/22502202



**WEST MIDLANDS FIRE AND RESCUE AUTHORITY** Item 5

**AUDIT AND RISK COMMITTEE**

**DRAFT**

**23 MARCH 2020**

**1. REVIEW OF ILL HEALTH PENSIONS DECISION**

Report of the Chief Fire Officer.

RECOMMENDED that in their role as Scheme Manager for the Firefighters' Pension Schemes, the Committee agrees the approach the scheme should take to the review of Ill Health Pensions.

- 1.1 That the Scheme Manager agree to the recommendation outlined in section 4.2.
- 1.2 That the Scheme Manager consider section 3.4 and agrees, or otherwise, to the pensioners currently in receipt of an Ill Health Pension under the 1992 Scheme to be reviewed.

**2. PURPOSE OF REPORT**

This report is submitted to the Committee to inform them of their responsibility as required by the Firefighters' Pension Scheme regulations, to set the frequency of the review of future Ill Health Pensions. Additionally, the Committee should consider what action and, if necessary, frequency in respect of pensions currently in payment.

**3. BACKGROUND**

- 3.1 Under the rules of the 2006 and 2015 Firefighters' Pension Schemes, West Midlands Fire Service are required to review the payment of Ill Health pensions providing that the pensioner is under state pension age and has been in receipt of the benefit for less than 10 years.

The rules of the 1992 scheme allow for Ill Health Pensions to be reviewed but do not require a review to be undertaken. An Ill Health pension can be reviewed irrespective of the length of time that it has been in payment providing that the member has not reached the earliest date at which they could have retired if they had remained fit.

- 3.2 The rules of all three schemes allow the Authority to decide how frequently any review should take place.
- 3.3 A review has not been carried out within the last 5 years.
- 3.4 There are currently 3 Ill Health pensions in payment under the 2006 and 2015 schemes which the Service must now re-assess. There are a further 9 Ill Health Pensions in payment under the 1992 scheme which the service may re-assess.

#### 4. **PROPOSED APPROACH**

- 4.1 As there is a requirement to re-assess Ill Health Pensions payable under the 2006 or 2015 Scheme, it is proposed to treat all pensions in the same way.
- 4.2 For future reviews, it is proposed that the frequency of the review will be a matter for the Independent Qualified Medical Practitioner (IQMP) at the time they consider the Ill Health request. Should the application for Ill Health Retirement be supported by the IQMP, they will be asked to confirm a suitable review time.
- 4.3 A process to achieve the above will be agreed between Occupational Health, People Support Services, and the Pensions Team.

#### 5. **DECISIONS REQUIRED**

- 5.1 The Scheme Manager is asked to confirm that they agree with the approach proposed or to recommend an alternative to be used from the date of the decision forward.
- 5.2 The Scheme Manager is asked to confirm whether they wish the service to review the 9 Ill Health Pensions currently in payment under the rules of the 1992 Pension Scheme.

Ref. AU//2020/Feb/22702207

## 6. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out.

## 7. **LEGAL IMPLICATIONS**

The decision of the Scheme Manager in this case may be challenged by an employee in receipt of the allowance. The challenge would be made through the Firefighters' Pension Scheme Internal Dispute Resolution Procedure. If this process does not resolve the matter the issue can be taken to The Pension Regulator and finally to the Supreme Court.

## 8. **FINANCIAL IMPLICATIONS**

The value of the Ill Health Pensions currently in payment, which may be eligible for review, is £78,281.95 per year.

## **BACKGROUND PAPERS**

The Firemen's Pension Scheme Order 1992  
 The Firefighters' Pension Scheme (England) Order 2006  
 The Firefighters' Pension Scheme (England) Regulations 2014

The contact name for this report is Assistant Chief Officer Gary Taylor (Strategic Enabler - Process) telephone number 0121 380 6914.

PHIL LOACH  
 CHIEF FIRE OFFICER

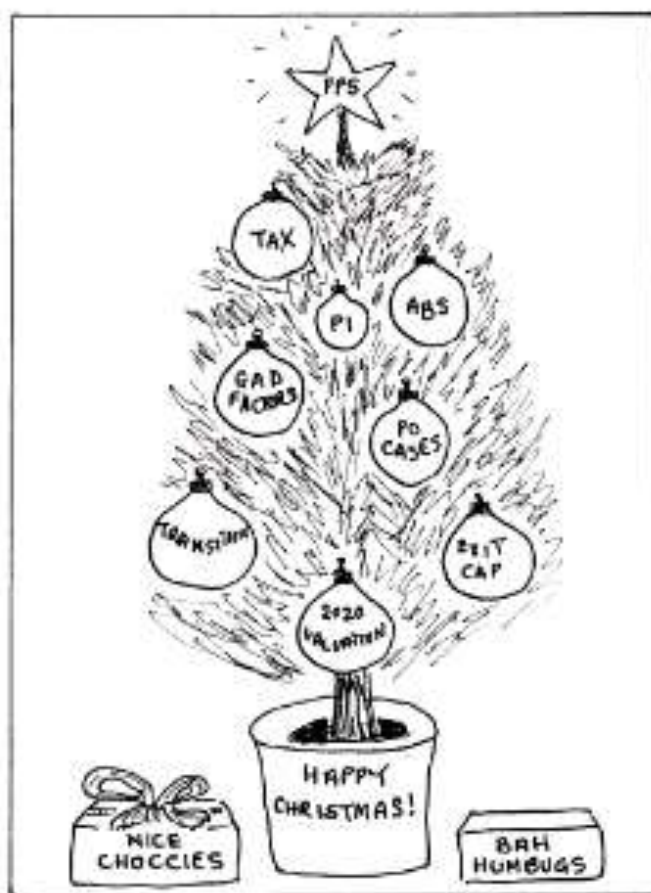


## FPS Bulletin 27 – December 2019

Welcome to issue 27 of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, issue and content indexes are held on the main [bulletin](#) page of the website and are updated following each new issue.

May we take this opportunity to wish you all a very merry Christmas and happy New Year. Thank you for your help and support during 2019.



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If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

SAB	9 January 2020 - amended
Firefighter Pensions Technical Community	31 January 2020
Fire Communications Working Group	4 February 2020
North East regional FPOG	12 February 2020 – amended
Midlands regional FPOG	18 February 2020
Eastern regional FPOG	25 February 2020
SAB LPB effectiveness committee	5 March 2020
<a href="#">LGA annual Fire conference and exhibition</a>	10-11 March 2020
SAB	19 March 2020
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

## FPS

### Update on transitional protections remedy (Sargeant)

As readers are no doubt aware, on 18 December 2019, the Employment Tribunal made an interim order on the firefighters' transitional protections claims. An employer's circular from the National Employers has been sent to FRAs informing of the detail which is available [here](#).

What the actual order does for claimants is to treat them as satisfying the age criteria regardless of their actual age as long as they meet the other criteria, which was to have been in the scheme at 31 March 2012 and 31 March 2015.

For example for claimants, [schedule 2, paragraph 12](#) should now read as automatically satisfying paragraph c regardless of their actual age

(2) This sub-paragraph applies if—

(a) P was an active member of the 1992 Scheme or an active member, or eligible to be an active member, of the NFPS on the scheme closing date;

(b)P was an active member of the 1992 Scheme or an active member, or eligible to be an active member, of the NFPS on 31st March 2012; and

(c)if P is an active-member of the 1992 Scheme, P would, unless P dies, reach normal pension age under the 1992 Scheme or if P is an active member or eligible to be an active member of the NFPS, normal pension age under the NFPS on or before the 1<sup>st</sup> April 2022

We understand that firefighters will be eager to understand what this means for them and no doubt administrators and FRAs will be receiving queries. Home Office have provided a factsheet ([Appendix 1](#)) that can be issued to members and we have provided some suggested text below in order to respond to those queries:

*“We are aware of the interim declaration made by the Employment Tribunal that claimants represented in the Sargeant legal case are entitled to be treated as if they remained in the Firefighters Pension Scheme 1992 (FPS 1992). In order to comply with the Tribunal’s order FRAs will need further direction from Government on the practical steps to enable implementation and we await that direction, albeit the Home Office have since issued a factsheet.*

*In the meantime to enable us to prioritise urgent cases, if you believe you are a claimant and you have an immediate retirement event; i.e. you are going through or have gone through an ill-health retirement or you wish to retire from the scheme with immediate effect and meet the eligibility requirements of being over 50 with 25 years’ service (includes service in the 2015 Scheme) please contact [\[insert relevant contact details\]](#) with confirmation of your status as a claimant and details of your retirement claim.*

*The order does not specify treatment of non-claimants at this time, however Government have confirmed their intent that non-claimants in the same legal and factual position as claimants intends to extend the same treatment to all members of the public service pension schemes, including the Firefighters’ scheme, (whether claimants or not) who are in the same legal and factual position as the claimants. If you are a non-claimant with a similar immediate retirement event to claimants, please contact us. “*

However, there are some steps that FRAs can take in the meantime to identify members with relevant service, whether claimants or non-claimants so that once proposals are finalised they are in a position to act.

- Current Ill-health cases with the IQMP
    - Ask the IQMP to assess the applicant under both the 1992 and 2015 scheme terms.<sup>1</sup>
  - Retrospective Ill-Health applications since 1 April 2015
    - Identify these into one of the below categories
1. Assessed for IQMP under 2015 scheme terms and did not meet tier 1, therefore no ill-health pension is in payment.
    - The authority may want to consider whether it is appropriate to request an IQMP assessment under the 1992 terms, if the employer had not already asked the IQMP to assess under both schemes.

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<sup>1</sup> Ill-Health certificates are available here - <http://www.fpsregs.org/index.php/member-area/ill-health-and-injury>

2. Assessed for IQMP under 2015 terms and met tier 1 requirements but not tier 2, therefore lower tier currently in payment only
    - The authority may want to consider whether it is appropriate to request an IQMP higher tier assessment on ability to perform regular employment under the 1992 terms, if the employer had not already asked the IQMP to assess under both schemes
  3. Assessed for IQMP under 2015 terms and awarded higher tier
    - A further IQMP assessment will not be necessary, however in some cases the enhancement paid for higher tier in the 2015 scheme will enhance the overall value of the pension being paid (meaning the pension paid under the 2015 terms is more than then pension that would be paid under the 1992 terms), however a lump sum paid under the 1992 scheme would be higher than that paid under the 2015 scheme. The authority may consider it appropriate to ask their administrator to provide a calculation of the benefits that might be provided under the 1992 terms for comparison purposes.
- Identify members that may have had or be eligible for immediate retirement<sup>2</sup>, ie those members who are age 50 with over 25 years of service.
  - Identify members who may under the current scheme rules taper into the 2015 scheme from January 2020

Updates will be provided by email and via the monthly bulletins as new information or direction is received.

### Firefighters' Pension Schemes (England) - Factor Guidance Notes

HM Treasury reduced the SCAPE discount rate from 2.8% to 2.4%pa above CPI from 1 April 2019. As a result of the change, the Government Actuary's Department (GAD) undertook a [factor review](#) for the Firefighters' Pension Schemes. The revised factors were provided by email to FRAs, during 2018 -2019. GAD has now produced guidance notes and example calculations to reflect the revised factors. These are provided below.

- [FPS 1992 and FPS 2006 CPD APB - factors and guidance](#)
- [FPS 2015 Age additions and assumed age additions - factors and guidance](#)
- [FPS 2015 Club Transfer guidance](#) (supplement to the Club Memorandum)
- [FPS 2006 Early retirement - factors and guidance](#)
- [FPS 2015 Early payment reductions - factors and guidance](#)
- [FPS 2006 Purchase of increased benefits - factors and guidance](#)
- [FPS 2015 Purchase of Additional Pension - factors and guidance](#)
- [FPS 1992 Tax charge debits - factors and guidance](#)
- [FPS 2006 Tax charge debits - factors and guidance](#)
- [FPS 2015 AA charges: scheme pays offsets - factors and guidance](#)
- [FPS 2015 LTA pension debit - factors and guidance](#)

All factor tables and guidance notes can be found on our website at <http://fpsregs.org/index.php/gad-guidance>.

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<sup>2</sup> <http://www.fpsregs.org/images/admin/RetirementFPS2015v1.pdf>

Please note: **In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.**

We have received a number of queries regarding the guidance, which have been forwarded to the Home Office for review. Please submit any comments to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### December query log

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in November.

## FPS (England) SAB Updates

### A end of year message from the Chair

“Dear Friends & Colleagues,

Christmas is traditionally a Family Time and it is my pleasure to send to all of you within what I fondly refer to as my Fire Pensions Family my personal 'Festive Best Wishes' for Christmas, the New Year and 2020.

It doesn't feel like it is 12 months ago that I sat down to write last year's Festive Message to you all....and yet, here we are again, frantically getting ready for the "Big Day", and the closure of another busy year.

Christmas is generally a time for reflection and when I look back over the year, we have seen so much happening within the Fire Pensions domain, much of which has involved the majority of you reading this message in one way or another...”

Read more from Malcolm Eastwood, chair of the Firefighters' Pensions (England) Scheme Advisory Board at [Appendix 2](#).

### ABS 2019 survey – reminder of action required

Many thanks to colleagues who have been able to submit a response to this year's survey of the ABS process, developed in collaboration with the SAB Local Pension Board effectiveness committee. We encourage those who have not yet responded to take the opportunity to do so, so that the research report fully reflects the national picture.

Taking into account feedback and learning from previous years, we have revised the question sets and have developed separate surveys for the FRA and administrator to complete. We welcome one reply from each FRA, and for administrators with multiple FRA clients, a completed survey per authority.

To ease the burden on those administrators, a third, shorter version of the survey has been provided, with the intention that they will complete a full survey for the first FRA and the reduced version for each subsequent submission.

FRA (employer) survey [https://www.surveymonkey.co.uk/r/ABS\\_2019\\_SURVEY\\_FRA](https://www.surveymonkey.co.uk/r/ABS_2019_SURVEY_FRA)

Administrator survey for single, or first of multiple FRAs

[https://www.surveymonkey.co.uk/r/ABS\\_2019\\_SURVEY\\_ADMIN](https://www.surveymonkey.co.uk/r/ABS_2019_SURVEY_ADMIN)

Administrator survey for subsequent multiple FRAs

[https://www.surveymonkey.co.uk/r/ABS\\_2019\\_SURVEY\\_ADMIN\\_PLUS](https://www.surveymonkey.co.uk/r/ABS_2019_SURVEY_ADMIN_PLUS)

An Excel version of the question set can be provided on request, and we can also export submissions on an individual basis following the closing date and provide FRAs with their own data for discussion at Local Pension Board meetings if required.

Please note that the closing date has been brought forward to **6 January 2020**, as our paid Survey Monkey plan expires on this date. If you require any further information or clarification on the surveys, please contact [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk).

### TPR data requirements – 2019 scheme return: update

In [FPS Bulletin 25 – October 2019](#) we included updated guidance for completing The Pension Regulator (TPR) scheme return, with some new scheme specific items added and an expanded section on testing data for accuracy.

<http://fpsregs.org/images/admin/TPR-data-scoring-2019-clean.pdf>

<http://fpsregs.org/images/admin/Data-score-weighting.xlsx>

It appears that some confusion has arisen regarding the status of the document which we had initially classified as informal guidance, and therefore some parties had not recognised that this would form the basis of a standard, fire-specific, extract. We have now changed the category of the document from “information” to “advice” and would like to make clear that we consider this a final standard version for suppliers and authorities to take account of.

TPR have noted that, in their opinion, the role of the SAB to advise scheme managers and pension boards carries sufficient weight for a supplier to pay attention to it.

## Other News and Updates

### Pension Schemes Bill reinstated

Following the general election on 12 December 2019, the Queen’s Speech setting out the government’s policies<sup>3</sup> has confirmed that the Pension Schemes Bill has been reintroduced to:

- “Support pension saving in the 21st century, putting protection of people’s pensions at its heart.
- Create a legislative framework for the introduction of pensions dashboards to allow people to access their information from most pensions schemes in one place online for the first time.”

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/853886/Queen\\_s\\_Speech\\_December\\_2019\\_-\\_background\\_briefing\\_notes.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/853886/Queen_s_Speech_December_2019_-_background_briefing_notes.pdf) [Page 56]



The first reading of the Bill took place on 15 October 2019 and the second reading of the Bill was scheduled to take place on 30 October 2019. However, this was delayed due to the election.

## Training and Events

### 2019 facts and figures

We've been out on the road again in 2019, attending meetings and providing training to FRAs and LPBs; including 16 regional Fire Pension Officer group meetings and 22 local or regional training sessions for boards and scheme managers. Some of the many HQs we've visited this year are pictured below. See if you can spot yours!



In addition to our regional engagements, we've held a six national training events at the LGA offices in London, including several joint sessions with colleagues from the Police scheme, the annual two-day AGM and a wrap-up session for LPB members.

Information about our national events can be found on our [Events](#) page.

Back at base (and beyond), we have facilitated four meetings of the SAB, six SAB committee meetings, three communications group and three technical group meetings. In addition, we are regular visitors to the devolved SAB meetings to provide an overview of issues arising in England, and represent FPS interests at sector specific forums.

We look forward to offering an exciting and varied programme of events in 2020 based on the outcomes of our [training survey](#)<sup>4</sup>, and as ever, are happy to tailor bespoke sessions for local and regional groups. For information, please contact us at [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)

## Contact details

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Email: [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

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<sup>4</sup> <http://www.fpsboard.org/images/PDF/Surveys/Training2019.pdf>

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Whilst every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring any perceived errors or omissions to the attention of the Bluelight team by emailing [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).



## FPS Bulletin 28 – January 2020

Welcome to issue 28 of the Firefighters' Pensions Schemes bulletin and a belated Happy New Year!

If you are looking for information on a certain topic, issue and content indexes are held on the main [bulletin](#) page of the website and are updated following each new issue.

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

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North East regional FPOG	12 February 2020
Midlands regional FPOG	18 February 2020
Eastern regional FPOG	25 February 2020
South East regional FPOG	28 February 2020
SAB LPB effectiveness committee	5 March 2020
<a href="#">LGA annual Fire conference and exhibition</a>	10-11 March 2020
SAB	17 March 2020 – amended
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

## FPS

### [Update on transitional protections remedy \(Sargeant\)](#)

We understand that firefighters, administrators, and employers are eager to receive guidance from Government to enable them to implement remedy. We are working with the Home Office, however, implementation is very complex given that some members will be better off in the new schemes and there are a number of issues that need central government direction which are being considered by HMT with the input of Home Office and other Government Departments.

**In the meantime the position remains that all entitlements including immediate ones should proceed under the 2015 scheme rules for the time being. This includes those who are due to taper into the 2015 scheme should continue to taper, and those due to retire normally at a later date should continue in the 2015 scheme.**

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While we understand that the position is frustrating for members and employers alike all members with relevant service will not lose out. In the meantime, it is important that FRAs are acting consistently, so that when remedy is agreed all members are being remedied from the same original position.

This position may be subject to change and this will be communicated immediately to all administrators via email, so please ensure that the LGA team have an updated lead contact for each administrator.

An update on the legal case was given in [FPS Bulletin 27 - December 2019](#), along with suggested text to provide to members and actions that FRAs can take in the meantime. However, there appears to be some confusion over the treatment of claimants and non-claimants. To clarify, claimants are those firefighters who are part of the legal case [Sargeant] and represented by FBU. Non-claimants are all other Firefighter scheme members who are in the same legal and factual position as claimants.

Government have confirmed their intent to extend the same treatment to all members, whether claimants or not who are in the same legal and factual position as the claimants. It is important to note that no member with relevant service will lose out. Therefore, while we recommend that FRAs and administrators note who is a claimant and who isn't, it shouldn't prevent any action in the meantime.

### Fire Authority Immediate Action

1. Members with an immediate event have been recognised as a priority and in order to determine the numbers of members in the Firefighters Pension Scheme immediately affected the board request that you complete the attached information sheet ([Appendix 1](#)) as soon as possible and in any event before 29 February 2020.

Immediate retirements 1 January 2020			
Fire and Rescue Authority (Select from the drop down list)	Type (Add any others to the list)	Claimants	Non-Claimants
FRA drop down			
	<b>Ill-Health</b>		
	No ill-health pension in payment because 2015 scheme lower ill-health criteria not met	1	1
	Tier 1 in payment only (refused higher tier in 2015 scheme)	2	5
	Tier 2 in payment under 2015 scheme	2	1
	<b>Immediate retirements (meet 50+ &gt;25 yrs service between 1 January 2020 and 31 December 2020)</b>	2	6
	<b>Due to taper between 01 January 2020 and 31 December 2020</b>	2	10
<b>Total</b>		<b>9</b>	<b>23</b>

2. To avoid unnecessary delay on processing ill-health retirements once central guidance is provided by Government, FRAs should take immediate action as below; to clarify this pre-work should be undertaken by authorities now while awaiting central guidance, however, members should be aware that further information may be needed at a later date in order to process benefits or make decisions.

## Current or New Ill-Health cases

- IQMP assessment
  - Members with transitional 1992 benefits. Ask the IQMP to assess the applicant under both the 1992 and 2015 scheme terms.<sup>1</sup>
  - Transitional Special Members of the 2006 scheme. Ask the IQMP to assess the applicant under the terms of the 2006 scheme noting that the normal retirement age of a special member is 55<sup>2</sup>
  - The terms of the IQMP assessment are the same for standard 2006 members and transitional members of the 2015 scheme, therefore assessment under the 2015 terms should be sufficient.
- Estimation of benefits
  - Some members will be better off in the new schemes, for the Firefighters scheme this could be transitional 1992 members who qualify for higher tier ill-health under the 2015 scheme or transitional 2006 scheme members. FRAs should request estimates from their administrators to provide an estimate of benefits to the member under both the terms of their previous final salary scheme or current 2015 scheme terms as a transitional member.
- Annual allowance
  - For some members the impact of treating them as if they had never left their previous final salary scheme might mean that they would have breached the annual allowance limits. Perform a notional annual allowance test on the scheme benefits based on treating them as if they had never left their previous final salary scheme to see if a breach would have occurred.

## Retrospective Ill-Health applications

This is where the payment is either already in payment or the member has already been assessed by an IQMP for ill-Health.

The authority should look at all previous ill-health cases from 2015, in order to determine how many members they have in the following categories and take the appropriate action:

1. Assessed for IQMP under 2015 scheme terms and did not meet tier 1, therefore no ill-health pension is in payment.

### Action:

- IQMP assessment
  - 1992 transitional member - Request an IQMP assessment under the 1992 terms, if the employer had not already asked the IQMP to assess under both schemes.
  - Special 2006 transitional members – request an IQMP assessment to test tier 1 on the basis of using a normal pension age of 55.

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<sup>1</sup> Ill-Health certificates are available here - <http://www.fpsregs.org/index.php/member-area/ill-health-and-injury>.

<sup>2</sup> Rule 3, Paragraph 3 of FPS 2006 - <http://www.legislation.gov.uk/ukxi/2014/445/schedule/paragraph/2/made>

- Perform a notional annual allowance test on the scheme benefits based on treating as if they had never left their previous final salary scheme.
2. Assessed for IQMP under 2015 terms and met tier 1 requirements but not tier 2, therefore lower tier currently in payment only

**Action:**

- IQMP assessment
    - 1992 transitional members - Request an IQMP higher tier assessment on ability to perform regular employment under the 1992 terms if the employer had not already asked the IQMP to assess under both schemes
    - Special 2006 transitional member – request an IQMP higher tier assessment on the ability to perform regular employment to a normal pension age of 55.
  - Perform a notional annual allowance test on the scheme benefits based on treating as if they had never left their previous final salary scheme
3. Assessed for IQMP under 2015 terms and awarded higher tier

**Action:**

- A further IQMP assessment will not be necessary.
- Provide a calculation of the benefits that might be provided under the previous final salary scheme for comparison purposes.
- Perform a notional annual allowance test on the scheme benefits based on treating as if they had never left their previous final salary scheme

**Scheme Advisory Board Technical Discussions**

In order to remedy age discriminatory treatment across public sector schemes by removing the discriminatory treatment while protecting members who may have been better off in the revised 2015 scheme HMT will be formally launching a consultation later in the year.

Ahead of that formal consultation, Government are informally engaging with public sector pension advisory boards via a series of technical discussions. To respond to this, the Firefighters Pensions (England) Scheme Advisory Board have formed a working group of stakeholders to advise the Home Office, this includes administrators, software providers, NFCC representatives and senior Fire and Rescue officers, issues such as costs and practicality will be considered and these discussions will inform the SAB's response to the HMT consultation expected in spring.

Details of this consultation are currently confidential, however as soon as we are able we will provide an update.

## The Civil Partnership (Opposite-sex Couples) Regulations 2019

We reported in [FPS Bulletin 26 – November 2019](#) on the introduction of the Civil Partnership (Opposite-sex Couples) Regulations 2019 [[SI 2019/1458](#)]

As the new legislation simply amends the definition of a civil partnership so that it is not limited to same-sex couples, the FPS regulations can be directly read to interpret that any reference to civil partnerships includes both same-sex and opposite-sex couples. No subsequent amendment of the FPS rules will be required.

## Website resources updated

Following the release of the updated Club memorandum and factors, our bite-size training guide to Transfers has been updated <http://fpsregs.org/images/admin/Transfers-Jan-2020.pdf>.

A new page has been added to the member-restricted area of [www.fpsregs.org](http://www.fpsregs.org). The [pensionable pay page](#) collates all of our existing resources into one place, including guidance and training materials, along with relevant Pensions Ombudsman determinations.

If you require a log-in for the site, please contact [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## Assistance required – national member website

One of our long-term objectives is the launch of a national website to provide information and guidance for members on the benefits of the FPS. We are working in collaboration with an external organisation to deliver this project, but we need your help!

Specifically, we are looking for images of firefighters which can be used on the homepage. Ideally these will be the property of the FRA in question, royalty-free and not subject to copyright. The image specifications are as follows:

- File format: Jpeg
- Resolution: Minimum of 150 PPI (pixels per inch)
- Essential copyright is owned by the contributor

In terms of timescales for launching the site, much will depend on the determination of remedy and our ability to meet the new accessibility requirements for public body websites. The structure and planned content is largely in place, so please watch this space.

Images can be sent to [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk). With thanks in anticipation.

## Recent TPO determinations

The following determinations have been made recently by the Pensions Ombudsman (TPO) in relation to the FPS. A full history of relevant determinations can be found via our legal landscape webpage <http://fpsregs.org/index.php/legal-landscape/the-pensions-ombudsman>.

### [PO – 19150](#) September 2019

In this ill-health case, which was not upheld, the member complained that although he was retired on the grounds of ill-health, his pension from the FPS 1992 was paid as an ordinary pension (Regulation B1) rather than an ill-health pension (Regulation B3). The member claims that he therefore did not receive the level of enhanced pension that he was entitled to and this has also impacted the benefits payable under Regulation B4 (injury award).

[Click here to return to Contents](#)

In the member's opinion, the Authority's interpretation of the B3 ill-health calculation was partially flawed.

TPO concluded that the Authority had applied the provisions of the scheme correctly, and that while the amounts of the B1 and B3 pensions were equivalent, the pension entitlement was calculated correctly under the ill-health rule.

[PO – 21552](#) November 2019

This case relates to the calculation of final pensionable pay. The member was in receipt of an additional pensionable allowance, which was removed (as specified in the terms of his contract) following 13 weeks of sickness absence. The member later commenced modified duties, which did not attract the allowance.

On retirement two years later, a previous period of pay including the allowance was used to calculate pension benefits. The member complained that as an earlier year was used, he did not benefit from pay increases received in his final two years of service. He asserted that he should have been treated as receiving notional pay inclusive of the allowance, up to his date of leaving.

The Ombudsman determined that the Authority had applied the regulations correctly, and the complaint was not upheld.

### January query log

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in December.

## FPS (England) SAB Updates

### Vacancy for Chair of the FPS (England) SAB

Recruitment is now underway for the next Chair of the Firefighters' Pensions (England) Scheme Advisory Board. The vacancy is advertised on the following link, with a closing date of 16 February 2020:

<https://publicappointments.cabinetoffice.gov.uk/appointment/chair-of-the-firefighters-pension-scheme-advisory-board/>

If you have any queries about this role, please contact Philip Perry on 0207 035 3447 or email [philip.perry@homeoffice.gov.uk](mailto:philip.perry@homeoffice.gov.uk).

## IDRP data collection

For some time, the SAB have considered the issue of Internal Dispute Resolution Procedures (IDRP) and how FRAs can be best supported in the management and resolution of complaints. At their meeting on 9 January 2020<sup>3</sup>, the Board agreed that data on IDRPs should be collected on an annual basis, in line with the scheme year, to collect numbers of cases and any emerging themes.

One of the key risks identified by the Pensions Regulator (TPR) in their recent report into governance and administration risks in public service pension schemes<sup>4</sup> was that procedures for recording and learning from complaints and disputes, including trend analysis, do not exist for every scheme. The Regulator is therefore broadly supportive that this data could be collected at SAB level, to identify where further advice and support may be needed.

We have created a spreadsheet to gather the relevant data and this will be issued in the March edition of the bulletin.

Additionally, revised guidance on IDRPs has been drafted and will be circulated to the Board for agreement at their meeting in March, prior to publication.

## ABS 2019 survey – now closed

Many thanks to colleagues who were able to submit a response to this year's survey of the ABS process, developed in collaboration with the SAB Local Pension Board effectiveness committee.

The survey is now closed and the data will be analysed to present a draft report to the Committee at their next meeting on 5 March 2020.

Individual FRA submissions have been exported and can be provided on request.

## Other News and Updates

### Progress of the Pension Schemes Bill

The Bill has been introduced in the House of Lords and the date of the second reading is 28 January 2020. The Parliament website includes the latest versions of [documents related to the Pension Schemes Bill](#), including draft legislation and Explanatory Notes.

## HMRC

### HMRC newsletters/bulletins

HMRC has published pension schemes newsletter 116 containing important updates and guidance on pension schemes. The following issues are covered:-

- [Pension schemes newsletter 116 – 28 January 2020](#): Pension flexibility statistics | Pension Schemes Online service | Managing Pension Schemes service | Relief at Source - notification of residency status report for 2020 to 2021 | Trust Registration Service |

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<sup>3</sup> <http://www.fpsboard.org/images/PDF/Meetings/09012020/SAB-draft-minutes-090120.pdf> [Item 11.8]

<sup>4</sup> <https://www.thepensionsregulator.gov.uk/en/document-library/research-and-analysis/governance-and-administration-risks-in-public-service-pension-schemes-an-engagement-report>



Also published this month:

[Managing Pension Schemes service newsletter](#) – 14 January 2020

### Contracting-out reconciliation update

The following bulletins containing important guidance and information about the end of contracting out and the scheme reconciliation process have been published by HMRC in January:

[Countdown bulletin 50 – December 2019](#) with an update on the revised proposed solution for automatically allocating payments.

[Countdown bulletin 51 – January 2020](#) with the proposed solution for allocating payments, including the [part payment breakdown template](#).

If a scheme has made a part payment, HMRC cannot currently identify which members that payment was made for. These bulletins introduce a process that will allow schemes to tell HMRC which members any part payment is in respect of.

Any authorities that have made a part payment, make a part payment in the future, or change a full payment into a part payment must complete the spreadsheet to tell HMRC the individual members that the payment is being made for.

If you have fully paid, and do not intend to change this to a partial payment, then you should still contact HMRC to confirm this position. An early response will enable HMRC to move on to the next stage of allocating the payment you have made to individual members.

The deadline for responses is **13 March 2020**.

### Event report and voluntary scheme pays deadline

The deadline for submitting an Event report for reportable events in that occurred in the year ending 5 April 2019 is 31 January 2020. Events that you will commonly need to report are:

- You have made an unauthorised payment
- A member's benefits were tested against the lifetime allowance, their benefits were more than the lifetime allowance and they relied on protection to reduce or eliminate the tax charge. The Event report has not been updated to include Fixed Protection 2016, Individual Protection 2016 or Individual Protection 2014 (if applied for online). You will need to report any cases involving these types of protection by secure email
- You have automatically issued a 'standard' pension savings statement. Note that you may choose to submit this information using a secure email, rather than using the online service.

There are 23 reportable events. [HMRC guidance on sending pension scheme reports](#) provides more information on all events that you must report.

An FRA may have decided to pay a member's annual allowance tax charge on a voluntary basis (voluntary scheme pays) if the conditions for mandatory scheme pays were not met. If you have done so, the deadline for paying that tax for a charge that arose in the year ending 5 April 2019 is 31 January 2020. The member may have to pay interest and late payment charges if this deadline is missed. You can find more information about scheme pays in [FPS Bulletin 4 – January 2018](#).

## Training and Events

### 2020 events

We have put together a topical and varied programme of national events for 2020, based on feedback from the training survey<sup>5</sup>. Details of the dates will be advertised in the [calendar](#) section of the bulletin once finalised.

We will continue to offer bespoke in-house training throughout the year. Each board is entitled to a free annual training session under the statutory levy, however, as the results of our survey indicated a strong preference for regional sessions which allow the opportunity to network and learn from peers, we would encourage FRAs and their boards to consider facilitation of joint sessions with other authorities where possible.

For more information or to book a session, please contact us as at [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## Legislation

SI	Reference title
<a href="#">2020/6</a>	The State Pension Revaluation for Transitional Pensions Order 2020
<a href="#">2020/7</a>	The State Pension Debits and Credits (Revaluation) Order 2020

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)

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<sup>5</sup> <http://www.fpsboard.org/images/PDF/Surveys/Training2019.pdf>

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## FPS Bulletin 29 – February 2020

Welcome to issue 29 of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, issue and content indexes are held on the [main bulletin page](#) of the website and are updated following each new issue.

You may notice a change to our appearance this issue. This is to make our bulletin more accessible. If you have any comments on the accessibility of this bulletin or suggested items for future issues, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

## Contents

### Calendar of events

#### FPS

- [Update on transitional protections remedy \(Sargeant\)](#)
- [Claims for refunds of NICs - FPS 2006 special members](#)
- [Firefighters' Pension Schemes \(England\) - Factor Guidance Notes](#)
- [Medical appeals forms](#)
- [Election to join FPS](#)
- [February query log](#)

### Other News and Updates

- [Public Service Pension Indexation and Revaluation 2020](#)
- [The Pensions Ombudsman \(TPO\) newsletter 7](#)
- [Auto Enrolment \(AE\) Earnings Trigger and Qualifying Earnings Band Review 2020](#)
- [DWP updates guidance on pensions after Brexit](#)
- [Pensions dashboards - Industry Delivery Group \(IDG\) blog](#)

#### HMRC

- [HMRC newsletters/bulletins](#)

[Legislation](#)

[Useful links](#)

[Contact details](#)

## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

Event	Date
SAB LPB effectiveness committee	5 March 2020
<a href="#">LGA annual Fire conference and exhibition</a>	10-11 March 2020
SAB	17 March 2020
South West regional FPOG	26 March 2020
SAB Administration & Benchmarking committee	6 May 2020
North East regional FPOG	20 May 2020
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

Table 1: Calendar of events

## FPS

### Update on transitional protections remedy (Sargeant)

The remedy update in [FPS Bulletin 28 – January 2020](#) included a request for information from the Scheme Advisory Board (SAB). We have received a limited number of responses and so we have extended the deadline.

[Click here to return to Contents](#)

## Fire Authority Immediate Action

We recognise that members with an immediate event are a priority. To determine the number of members affected, please complete the [request for information sheet](#) provided as Appendix 1 to the January bulletin. Please email completed returns to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) by 16 March 2020.

Immediate retirements 1 January 2020			
Fire and Rescue Authority (Select from the drop down list)	Type (Add any others to the list)	Claimants	Non-Claimants
FRA drop down			
	<b>Ill-Health</b>		
	No ill-health pension in payment because 2015 scheme lower ill-health criteria not met	1	1
	Tier 1 in payment only (refused higher tier in 2015 scheme)	2	5
	Tier 2 in payment under 2015 scheme	2	1
	<b>Immediate retirements (meet 50+ &gt;25 yrs service between 1 January 2020 and 31 December 2020)</b>	2	6
	<b>Due to taper between 01 January 2020 and 31 December 2020</b>	2	10
<b>Total</b>		<b>9</b>	<b>23</b>

We are aware that some FRAs are having difficulty identifying their legal claimants. The legal claims were made against each service, so there should be a record of them. We would expect the records to be with the Human Resources or Legal teams. The Employment Tribunal sent the claims in paper form in October 2015. As these are live legal cases there should be a folder of them in one or other of those departments

If they cannot be found then we would have to ask the legal representatives, Bevan Brittan, to provide copies. This may have a cost to the service. We would need advance written confirmation that the service would meet the cost, as it would not be appropriate to pass on any of that cost to other services through the cost sharing agreement. Please let us know if you wish us to make such a request.

## Scheme Advisory Board Technical Discussions

Technical discussions to inform the SAB response to HMT's informal proposals concluded this week. A series of three meetings took place between a working group of stakeholders including administrators, software providers, NFCC representatives and senior Fire and Rescue officers. A draft response will be presented to the Board for agreement at their meeting in March.

This informal engagement is taking place ahead of the formal consultation expected in spring.

Details of these discussions are currently confidential, we will share an update as soon as we are able.

## Claims for refunds of NICs - FPS 2006 special members

As per [FPS Bulletin 24 - September 2019](#) HMRC have now written to all FRAs with regards to backdating their FPS 2006 scheme contracting out certificate to 6 April 2000. This is to allow HMRC to process the refund of National Insurance Contributions and to correct the contracted out status. In a few cases HMRC have informed FRAs that they do not currently have a valid contracting out certificate for the FPS 2006 and this will first need to be applied for and then backdated.

The relevant form to complete has been sent to each FRA by HMRC and is form APSS155b. The backdating should be from 6 April 2000. HMRC goes on to confirm that 'a notice of intention or explanation must be given to all employees and recognised trade unions and the notice period of up to 3 months must have expired'. On the assumption that some form of consultation took place with employees following the ruling about backdating membership HMRC will accept that as having given the necessary notice of intention or explanation.

**We can confirm that DCLG (now Home Office) consulted on changes to the scheme under the [retained firefighters pension settlement consultation](#), so there is no need to issue anything further.**

In order to reduce the burden on FRAs with regards to providing information for these refunds to be made, we did agree with HMRC that only name, date of birth, NI number and period bought back needed to be provided. [FPS Bulletin 2](#) and [FPS Bulletin 3](#) provide more information. We also covered this topic at the [special members refresher workshop](#) [slides 52 and 53] to clarify that there was no discretion to not provide this information because it was needed for the HMRC GMP reconciliation project.

## Firefighters' Pension Schemes (England) - Factor Guidance Notes

HM Treasury reduced the SCAPE discount rate from 2.8% to 2.4%pa above CPI from 1 April 2019. As a result of the change, the Government Actuary's Department (GAD) undertook a [factor review](#) for the Firefighters' Pension Schemes.

GAD have recently provided the guidance notes below to accompany actuarial factors previously issued to FRAs during 2018 -2019. This includes updated versions of several guides released in [FPS Bulletin 27 – December 2019](#), and some newly added guides.

- [FPS 1992 Statutory CETV and Club Transfers Out - factors and guidance](#) – NEW
- [FPS 2006 Individual Cash Equivalent Transfers - factors and guidance](#) – NEW
- [FPS 2015 Purchase of Additional Pension - factors and guidance](#) – UPDATED
- [FPS 1992 Tax charge debits - factors and guidance](#) – UPDATED
- [FPS 2006 Tax charge debits - factors and guidance](#) – UPDATED
- [FPS 2015 AA charges: scheme pays offsets - factors and guidance](#) – UPDATED



- [FPS 2006 Service Credits for non-Club Incoming Transfers - factors and guidance](#) – NEW
- [FPS 1992 and 2006 Trivial Commutation and Capitalisation for Death Gratuities - factors and guidance](#) – NEW
- [FPS 2015 Commutation of Small Pensions - factors and guidance](#) – NEW

Please note the following changes to the [FPS 1992 Tax charge debits guidance](#):

- Updated definition of RTF to be RTFret
- For the Adjusted pension debit =  $AAPD \times PI \times RTFret \div RTFimp$ . It is agreed that this is for ages over 60 and therefore excludes ages under 60

The RTFret factor should use the factors in force at the relevant implementation date. The rationale is the numerator and denominator should be consistent and therefore factor should be selected at a consistent date for both.

GAD have also updated the pension input periods for the tax charge and scheme pays offsets notes so that they refer to the tax year period 6 April to 5 April, rather than 1 April to 31 March.

All factor tables and guidance notes can be found on our [GAD guidance page](#).

In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.

## Medical appeals forms

The Home Office appointed Duradiamond Healthcare (DHC) as the new Board of Medical Referees contractor from 1 October 2019. We have been advised that DHC are going to review the forms for the appeal process as they were last updated in 2013. However, in the interim, the existing forms have been updated to reflect the correct legislation and contact details and have been uploaded to our [Ill-health and Injury page](#) for authorities to use if they wish.

Each FRA is required to sign the call-off contract and complete a new account form with DHC so that they can be set up as a client for invoicing purposes. It may be wise to complete this before submitting new cases. However, the forms can be completed while DHC are processing cases to avoid cause any delays in the appeal process. The call-off terms are defined by the framework contract with the Home Office so these cannot be amended.

Concerning the two forms which DHC send out to authorities:

- One form is a new customer account form which is required for invoicing purposes by the finance team.
- The other form – the ‘call-off form’/schedule 3 – is the order form contained within the framework provided by the Home Office. This clarifies what is contractually expected of DHC within the appeal process and only needs to be completed once prior to any cases being arranged.

To assist FRAs in completing the call-off forms, please note the following to be completed:

- Order Number – This can be left blank or it can be prepopulated by the authority with a PO number if required.
- Order Date – The date when the authority signs the form.
- Description of Order – This has been amended and prepopulated as requested.
- Total value of Order – Please enter the text 'Cost/price per board', we have asked Duradiamond for this to be pre-populated

## **Election to join FPS**

Following a request from the Fire Communications Working Group (FCWG) an opt in form for members electing to join FPS outside of auto-enrolment has been produced.

### [Election to join form](#)

Please note that the form is based on our interpretation of the current regulations which give people eligibility to join FPS 2006 or FPS 2015 based on their date of birth and previous service.

## **February query log**

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

There have been no new items added since January.

## **Other News and Updates**

### **Public Service Pension Indexation and Revaluation 2020**

On 25 February 2020, HM Treasury issued [written statement HCWS123](#) to confirm that public service pensions will be increased from 6 April 2020 by 1.7 per cent, in line with the annual increase in the Consumer Prices Index up to September 2019.

Revaluation for active members of FPS 2015 is applied in line with Average Weekly Earnings up to September 2019. The figure for the earnings element of revaluation is 4 per cent.

The Treasury has issued the [Pensions Increase 2020 covering note](#) and [Pensions Increase 2020 multiplier tables](#) to help scheme administrators correctly apply the annual increase to public service pensions.

## **The Pensions Ombudsman (TPO) newsletter 7**

TPO have published [Issue 7 – January 2020](#) of their stakeholder newsletter

The newsletter includes:

- an introductory message from the Pensions Ombudsman, Anthony Arter
- an article covering the relationship and promotional work undertaken since June 2019
- a legal update
- dates of future events
- volunteering for the TPO

Earlier communications from TPO and a full history of determinations in relation to FPS are held on our [TPO webpage](#).

## **Auto Enrolment (AE) Earnings Trigger and Qualifying Earnings Band Review 2020**

On 13 February, in a [written statement](#) to the House of Commons, [Guy Opperman](#) provided an update on this year's annual review of the AE earnings trigger and qualifying earnings band. The review concluded that the existing earnings trigger remains at the correct level and both the lower and upper earnings limits will continue to be aligned to the National Insurance contribution thresholds. The proposed 2020/21 AE thresholds are as follows:

- £6,240 for the lower limit of the qualifying earnings band
- The AE earnings trigger will be maintained at £10,000
- The upper limit of the qualifying earnings band will remain at £50,000

## **DWP updates guidance on pensions after Brexit**

The Department for Work and Pensions has updated the [guidance explaining the rights of UK nationals](#) in the European Economic Area or Switzerland to benefits and pensions after the UK has left the EU.

## **Pensions dashboards - Industry Delivery Group (IDG) blog**

On 20 February Richard Smith, Industry Lead at the IDG, published a blog about the [progress of the pensions dashboards working groups](#).

## **HMRC**

### **HMRC newsletters/bulletins**

On 20 February HMRC published a [Guaranteed Minimum Pension \(GMP\) equalisation newsletter](#) explaining how equalisation benefit adjustments will interact with annual allowance and lifetime allowance.

## Legislation

SI	Reference title
<a href="#">2020/101</a>	The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling and Compensation Cap) Order 2020
<a href="#">2020/179</a>	The Local Government Pension Scheme (Amendment) Regulations 2020

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)

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## WEST MIDLANDS FIRE AND RESCUE AUTHORITY

### Pension Board Activity Log 2019/20

Date	Activity	Undertaken by	Action Completed
2019			
June	Receipt of FPS Bulletin 21		
July	Receipt of FPS Bulletin 22		
25 July	Receipt of enews from Gad	Pension Board	
29 July	Audit and Risk Committee	Kal Shoker attended	
20 August	The Pension Regulator Summer Round Up	Pension Board	
30 August	Receipt of FPS Bulletin 23 including Firefighters Admin Benchmark report - Final	Pension Board	
6 September	Email from Paul Gwynn re GAD data improvement reports for FRAs		
17 September	LGA Pension Board Training – Shropshire FRS	Wendy Browning Sampson Julie Felton Adam Harper	
20 September	Paul Gwynn responses to Adam Harper email	Pension Board	
24/25 September	LGA Annual Pension Conference	Cllr Miks Alan Tranter Adam Harper	
30 September	Receipt of FPS Bulletin 24		

[ILO: UNCLASSIFIED]

1 October	Paul Gwynn provided contact details for HMRC		
1 October	Email confirmation of December Pension Board and Training Opportunity		
2 October	Enews What the TPR learned investigating PS Schemes including Engagement Report		
8 October	Email from Wendy Browning Sampson re TEAMS		
30 October	FPS Bulletin 25		
8 November	Email from Claire Hey re TPR Governance and Administration Survey 2019 and 6 key processes		
15 November	TPR letter to Paul Gwynn – Relationship supervision: Areas of Focus		
9 December	Meeting of Chair of Pension Board, Chair of Audit and Risk, Clerk and Treasurer to the Authority and Payroll and Pensions Manager		
16 December	Pensions Board	Pension Board	
16 December	Scheme Manager Training	Pension Board Some Members of A&R Committee	
December	Receipt of FPS Bulletin 27		
	<b>2020</b>		
January	Receipt of FPS Bulletin 28		
14 January 2020	Audit and Risk Committee	Chair to attend/Kal Shoker attended	
5 March	Pensions Board – Observed by The Pension		



	Regulator		
5 March	Relationship Supervision – The Pension Regulator Mr Barry Croxon and Ms Michelle Kidman		
5 March	Hosting of SAB Pensions Effectiveness Committee		
23 March	Audit and Risk Committee Observed by The Pension Regulator	Chair to Attend	
1 June	Audit and Risk Committee		
8 June	Pensions Board		
20/27 July	Audit and Risk Committee		
22/23 September	Pensions Conference		



## WEST MIDLANDS FIRE AND RESCUE AUTHORITY

### Pension Board WORK PROGRAMME 2019/20

Date of Meeting	Item	Responsible Officer	Completed
	2019		
1 July 2019	Deadline for Audit and Risk Committee		
29 July 2019	Audit and Risk Committee Presentation of Pension Board Annual Report Minutes of the Pension Board held on 4 June 2019 Annual Report of Pension Board	Chair to Present Minutes and	
10 September	Pensions Board Minutes of the Pension Board held on 4 June 2019 Pension Board Supporting Information New Pension Board Risk Register for consideration Scheme Advisory Board Bulletins 20, 21, 22 Pension Regulator Public Service Governance and Administration Survey Pension Regulator Summer Roundup eGAD Newsletter Ill Health Retirement Pension Board Activity Log Pension Board Work Programme Training Update on Topical, Legal and Regulatory Issues		

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17 September	Pension Training – Shropshire Fire and Rescue Service	Wendy Browning Sampson Julie Felton Adam Harper	
24/25 September	Firefighters' Pension AGM	All to Note	
21 October	Deadline for Audit and Risk Committee		
11 November	Audit and Risk Committee		
2 or 5 December	LGA Training with Scheme Manager		
13 December	Deadline for Audit and Risk Committee		
16 December	Pensions Board Minutes of the Pension Board held on 10 September 2019 Minutes of the Audit and Risk Committee held on 29 July and 2 September 2019 Supporting Information Risk Register Bulletins 24, 25, 26 TPR Times Up for Pension Scammers TPR What TPR Learned investigating Pension Schemes Governance and Administration risk in public service pension schemes: an engagement report Training – Update from Shropshire training Feedback from Pensions Conference TPR - Public Service Governance and Administration Survey 2019 update TPR Relationship Supervision – Areas of Focus Use of Microsoft Teams Activity Log Work Programme		

	2020		
13 January	Audit and Risk Committee Pension Board Minutes of 10 September to be presented	Chair to present Pension Board Minutes	
2 March	Deadline for Audit and Risk Committee		
23 March	Audit and Risk Committee Pension Board Minutes of 16 December 2020 to be presented	Chair to attend present Minutes of Pension Board	
5 March	Pension Board Minutes of the Pension Board held on 16 December 2019 Minutes of the Audit and Risk Committee held on 11 November 2019 Pension Section Supporting Information Risk Register Bulletin 27 Bulletin 28 Training Topical, Legal and Regulatory Update Activity Log Work Programme		
11 May	Deadline for Audit and Risk Committee on 1 June		
1 June	Audit and Risk Committee Minutes of 5 March Pension Board to be presented		
8 June	Pension Board to be held Annual Report to be produced Minutes of the Pension Board held on 5 March 2020		

	Minutes of the Audit and Risk Committee held on 23 March 2020 Pension Section Supporting Information Risk Register Bulletins (received since last meeting) Work programme Activity Log Training Topical, Legal and Regulatory Update		
29 June	Deadline for Audit and Risk Committee		
20 or 27 July	Audit and Risk Committee Minutes of the June Pension Board to be presented		
September	Risk Register		
December	Training Pension Board to consider recruitment process for 2021		
March			
June	Annual Report		