

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

26 SEPTEMBER 2022

1. **APPROACH TO BE TAKEN IN RESPECT OF IMMEDIATE DETRIMENT CASES UNDER THE MCCLOUD/SARGEANT RULING**

Report of the Chief Fire Officer.

2. **PURPOSE OF REPORT**

- 2.1 This report is submitted to request that the Committee, in its role as Scheme Manager for the Firefighters' Pension Scheme, approve the approach proposed by the Scheme Administrator for the processing of Immediate Detriment cases following the decision taken by the Audit and Risk Committee at the meeting held on 6th June 2022.

3. **RECOMMENDATION**

- 3.1 That the approach proposed (in section 5 of this report) by the Scheme Administrator be approved.

4. **BACKGROUND**

- 4.1 On 6th June 2022 the Audit and Risk Committee, in its role as Scheme Manager for the Firefighters' Pension Scheme, approved to lift the pause in processing of Immediate Detriment cases. The decision will result in additional work for the Scheme Administrator/Pensions Team. To ensure that payments can be processed efficiently and normal activity can continue with limited impact, a staged approach to implementing the decision is proposed.

5. PROPOSED APPROACH

5.1 Members who are currently active and who have membership within the legacy period, (1st April 2015 to 31st March 2022), known as Category 1 members, will be offered a choice of benefits aligned to the arrangements set out in the Memorandum of Understanding (MoU) agreed between the LGA and the FBU on 8th October 2021.

5.2 Members known as Category 2 members, who left the scheme after 1st April 2015 and before 30th June 2022, with service during the legacy period and who have already submitted a claim for remedy under the terms of the MoU, need to be processed. The aim is to process all of these cases by 31st December 2022, prioritised based on the date a claim was made, dealing with the earliest claim first and working through all subsequent claims. There are 15 members in this category.

There is also one member who retired on health grounds who will be included within this group. This member will be given priority.

5.3 Work will need to be undertaken by the Pensions Team relating to Category 2 members who have not yet submitted a claim for remedy. This will involve setting out a statement for the Members, detailing the benefits due and the payments required, to return their service to their previous pension scheme, by 28th February 2023. Members would have 6 months to respond to this statement. On receipt of a response, the Scheme Administrator would process the benefits of the affected member in line with their response, prioritised based on the date a claim was made, dealing with the earliest claim first and working through all subsequent claims. There are 37 members in this Category.

5.4 The number of members affected by Immediate Detriment and the number of cases processed would be reported to the Local Pension Board to enable monitoring of the progress towards completion of this work on behalf of the Scheme Manager.

6. EQUALITY IMPACT ASSESSMENT

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

7. LEGAL IMPLICATIONS

7.1 The decision of the Scheme Manager in this case may be challenged by members. 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

8.1 In order to deal with the Immediate Detriment work reflected in this report, it would be necessary to increase the capacity of the Pension's Team. This would predominantly be achieved by seeking to appoint an additional Pension Practitioner Post. A Pension Administrative Grant has been received by the Authority which would be used to fund the proposed additional staffing costs.

BACKGROUND PAPERS

FPS Bulletin 37 – September 2020

Public Service Pension Schemes: changes to the transitional arrangements to the 2015 Scheme's Consultation

Statement UIN HCWS380

Minutes of the Audit and Risk Committee meeting 7th December 2020

Memorandum of Understanding between the Local Government Association and the Fire Brigades' Union dated 8th October 2021

Minutes of the Audit and Risk Committee meeting 6th June 2022

The contact name for this report is Mike Griffiths, telephone number 0121 380 6919.

PHIL LOACH
CHIEF FIRE OFFICER