

**Chair's Report 2022**

**Purpose of the Pension Board**

The Pension Board (the Board) has been operational since 2015 and its purpose is to assist Shropshire and Wrekin Fire and Rescue Authority in its role as a Scheme Manager of the Firefighters Pension Scheme (the Scheme), particularly with regard to:

- (a) Securing compliance with the Pension Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme; and
- (b) Ensure the effective and efficient governance and administration of the Scheme.

The Board holds three meetings per year (recently increased to four per year), with the minutes from these meetings coming to the Fire Authority's Standards, Audit and Performance Committee.

**Membership**

The Board has six members, three of whom represent the employees and three of whom represent the employer. During 2022 these were:

Employee Representatives

- Matthew Lamb – The Fire Brigades Union (FBU)
- Tony Talbot – The Fire and Rescue Services Association (FRSA)
- Steve Morris- Retired Member

Employers Representatives

- James Walton – Service Treasurer (Shropshire Council)
- Simon Hardiman - Assistant Chief Fire Officer
- Joanne Coady - Head of Finance

Board meetings are also attended, and very much supported, by officers with specific responsibilities for the management and administration of the Scheme. This includes Lisa Vickers (Shropshire Fire and Rescue Service) and Helen Scargill (West Yorkshire Pension Fund), who implement most of the actions that fall out of the meetings.

# Shropshire and Wrekin Fire and Rescue Authority Pension Board

It is pleasing to note that membership of the Board has remained relatively constant for the last four years. This means that the Board's level of knowledge, experience and confidence is good. However, it is not being complacent and therefore members of the Board continue to undertake appropriate training and attend relevant conferences in order to keep up to date with this very complex subject.

This is aided by the excellent coordination role undertaken by the national Scheme Advisory Board (SAB) and also by taking advantage of the excellent training tools available through the Pension Regulator's (TPR) website. This said, the board recognises that staff and Members of the Board will change over time, and this led to a decision to increase membership from four to six as outlined within the membership section of this report.

## **Activities of the Board**

The Board does not administer or manage any part of the Scheme, but it does oversee the decisions that are made - and it can, and does, make recommendations for improving the efficiency and effectiveness of scheme administration.

It also has a role in overseeing the introduction of new regulations as they relate to the Scheme. A good example of this, during 2020/21, was the guidance regarding Immediate Detriment cases, following a Court ruling around transitional protection arrangements.

A further example includes work currently underway to revisit the Matthews Case, which enables On Call staff to buy back pensionable service and requires a significant administration exercise to identify and contact all eligible members of the scheme.

The Board also coordinates the response to numerous national surveys, that look at many different aspects of Scheme management. It then reflects on the results from such surveys and ensures that the Service and the administrator take on any relevant learning.

A particular focus of the Board has been to oversee the transition arrangements for a new pension administrator. This has involved a joint procurement process with Warwickshire Fire and Rescue Service, and the awarding of contract and data transfer.

## **The year ahead**

As is the case in many areas of work, the pensions arena is full of much uncertainty over the coming year. Specific matters of interest to the Fire Authority include:

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- a) In 2021, the Court of Appeal ruled against the 2018 Government appeal to the decision that the 'transitional protection', offered to some members as part of the 2015 Pension Reforms, amounts to unlawful discrimination. As a result, the Court will require steps to be taken to compensate employees who were transferred to the new schemes. With the provisional estimate indicating that the judgment could cost the equivalent of around £4 billion per annum, for the national Scheme as a whole, the uncertainty around what impact this could have locally is, obviously, a matter of greatest importance, both to the Service and the members of the Pension Scheme affected by the decision.

Following the initial acceptance and application of a framework produced by the National Fire Chiefs Council, the FBU and the Local Government Association, the Service paused progressing Immediate Detriment cases due to challenge from HM Treasury in relation to the Framework and advice was provided stating that any Immediate Detriment payments made prior to legislation being enacted in or before October 2023, would be viewed as unauthorised and therefore the Fire Authority would be required to bear the costs.

A revised framework is now being agreed and the Service will seek to utilise the document to make Immediate Detriment payments once assurance is provided in relation to reducing the risk to the Authority of unlawful payments.

- b) The Service has now identified a new pensions administrator and will continue to work with West Yorkshire Pension Fund to ensure all data is transferred which will increase assurance scores. The introduction of a new administrator has also included the creation of an internal pension administration post and also the opportunity to share a Pensions Officer across the Fire Alliance with Hereford & Worcester Fire and Rescue Service.

The Board will ensure that the Fire Authority and local members of the Pension Scheme itself are kept informed on these matters as the implications become clearer.