



**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

Purpose: Noted

Date: **5 JULY 2022**

Title: **LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA)
UPDATE REPORT**

Report of Chief Financial Officer

SUMMARY

1. This report, together with attachments, provides the framework for this agenda item.

FPS BULLETINS

2. LGA issue a bulletin at the end of each month; there have been two bulletins issued since the last Fire Pension Board report. The bulletins are emailed out to a variety of contacts but can also be accessed via the www.fpsregs.org website.
3. Bulletins 56 and 57 can be found in APPENDICES A and B. There is a lot of information contained within these bulletins; the key items are set out below.

MEMBER BENEFIT ILLUSTRATIONS (BULLETIN 56)

4. The SAB worked with Barnett Waddington to produce a suite of illustrative member scenarios. These were based on different scheme memberships, scenarios and salary profiles and showed benefits at a range of key milestones.
5. These can be found on the fps member website (<https://fpsmember.org/2015-remedy/2015-remedy-member-benefit-illustrations>) and are a useful tool for members in the absence of any

individual calculator or estimate. Along with the illustrations there are also detailed Excel spreadsheets which show the specific calculations and how they have been arrived at.

6. This was communicated to staff via Routine Notice in April 2022. It would be helpful to understand if the Board has any feedback on these member benefit illustrations.

APPOINTMENT TO BLUELIGHT TEAM (BULLETIN 56)

7. Elena Johnson has been appointed to the role of Pensions Adviser (Governance) and joined the LGA on 16 May 2022.
8. Elena's role will involve providing high quality support to the SAB and the FRA Local Pension Boards as well as assisting with priority developments in scheme governance.
9. This is a welcome addition to the Bluelight team at LGA and strengthens the support available to FRAs.

ABATEMENT GUIDANCE (BULLETIN 57)

10. The LGA have published some guidance on abatement to try and ensure a consistent approach nationally on how abatement should be applied and calculated. The Employer Pension Manager was part of the initial workshop in 2019 and has since provided additional feedback on this guidance.
11. The Board will be pleased to note that the approach taken by Hampshire Pension Services is consistent with this guidance.

TPR FACTSHEET (BULLETIN 57)

12. Each year, TPR issue an annual Governance and Administration Survey, with the exception of last year. The results of the 2020/21 survey have been published by TPR. As part of the survey, TPR measures six processes as key indicators of public service pension scheme performance. The six processes are:
 - (a) Documented policy to manage board members conflicts of interest
 - (b) Access to knowledge, understanding and skills needed to properly run the scheme
 - (c) Documented procedures for assessing and managing risks
 - (d) Process to monitor records for accuracy / completeness
 - (e) Process for resolving contribution payment issues

- (f) Procedures to identify, assess and report breaches of law
13. In 2020/21, 74% of Firefighters schemes across the UK (including HIWFRA) reported having all six processes in place which had increased from 55% in 2019. The LGA have refreshed the six key processes factsheet to reflect the most recent results and is available on the www.fpsregs.org website.

SAB REMEDY ENGAGEMENT SESSIONS (BULLETIN 57)

14. The SAB has been invited by the Home Office to take part in a series of engagement sessions with the Police SAB to consider scheme specific versions of the Provision Definition Documents (PDDs) which define the provisions of the PSP&JO Act 2022 for each area of the 2015 remedy.

DLUHC PUBLISHES STATUTORY GUIDANCE ON SPECIAL SEVERANCE PAYMENTS (BULLETIN 57)

15. On 12 May 2022, the Department for Levelling Up Housing and Communities (DLUHC) published statutory guidance on special severance payments. Best Value authorities in England must have regard to the guidance in circumstances in which it may be appropriate to make Special Severance Payments. These relates to strain costs related to early release of some pension benefits in the LGPS. An FRA is listed as a body to whom this guidance applies.
16. The Fire Pension Scheme has two areas where a strain cost is payable by the FRA. These are:
- (a) Where there is an employer initiated retirement from the 2006 or 2015 Scheme and when the member is between the ages of 55 and 60, these benefits are paid with no actuarial reduction and there is a strain cost to the FRA to pay the difference between the actuarially reduced amounts and the unreduced amounts paid to the member
 - (b) Where the member has benefits from the 1992 scheme and would be subject to a restricted commutation, the FRA can allow a full 25% commutation, but there is a strain cost to the FRA of the difference between the two amounts
17. LGA have confirmed with the Home Office, who in turn confirmed with the Policy Lead at DLUHC that neither of these scenarios fall within the scope of the special severance payments guidance.

RECOMMENDATION

18. That the content of the report be noted by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

19. APPENDIX A - [FPS Bulletin 56](#) (April 2022)
20. APPENDIX B - [FPS Bulletin 57](#) (May 2022)

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