

**THE FIREFIGHTERS PENSION SCHEME (ENGLAND)
REGULATIONS 2014 SCHEME MANAGER DISCRETIONS**



PRESENTED TO: FIRE AUTHORITY

DATE OF MEETING: 18 APRIL 2017

OFFICER PRESENTING REPORT: HR MANAGER; JACKY MANNING

1. PURPOSE AND SUMMARY OF REPORT

- 1.1. The purpose of this report is to advise the Royal Berkshire Fire Authority (RBFA) of the scheme manager discretions as contained in The Firefighters' Pension Scheme (England) Regulations 2014, and to seek agreement to the policy position on the remaining 49 discretions that require consideration following the introduction of the new pension scheme, in April 2015.
- 1.2. This report incorporates recommendations to the Fire Authority on the remaining 49 discretions, and details the previous decisions made by RBFA on three discretions which required immediate action.

2. RECOMMENDATIONS

That the Fire Authority:-

- 2.1. **NOTE** the scheme manager discretions contained in the Firefighters' Pension Scheme (England) Regulations 2014, including the three discretions already determined at the Fire Authority meeting on 24 June 2015 (Statement of Policy as outlined in Appendix A).
- 2.2. **CONSIDER** the recommendations and comments in the Scheme Manager Discretions and Recommendations Statement (Appendix B) and the table of recommendations and additional comments (Appendix C).
- 2.3. **DETERMINE** the suitable option for each discretion, which will be built in to a final Statement of Policy.
- 2.4. **AGREE** the draft Statement of Policy (Appendix B) regarding the scheme manager discretions, pending finalisation as per section 2.3 above.

3. BACKGROUND AND SUPPORTING INFORMATION

- 3.1. Statutory Instrument (SI 2014/2848) laid before Parliament on 28 October 2014 introduced a new Fire Pension Scheme effective from 1 April 2015. On 5 March 2015 fire and rescue services were provided with a document from the Local Government Association (LGA) that listed the scheme manager discretions (including those attached to an obligation) as contained in The Firefighters' Pension Scheme (England) Regulations 2014.

- 3.2. The scheme manager is defined as the Fire and Rescue Authority (FRA) and is responsible for the administration of the scheme. There are 52 discretions listed in the document provided by the LGA.
- 3.3. RBFA published a Firefighters' Pension Scheme (England) 2015 Scheme Manager Discretions Statement in 2015 containing the three discretions which required immediate policy decision (Regulations 5, 17 and 111) which were finalised by RBFA on 24 June 2015.
- 3.4. RBFA now need to publish a new Statement of Policy to bring together all of the discretionary elements of the Firefighters' Pension Scheme 2015.
- 3.5. The draft statement in Appendix B has been formulated using advice provided by RBFA pension administrators, West Yorkshire Pension Fund (WYPF).
- 3.6. Following the joint procurement of WYPF as pension administrators, the recommendations within this report have additionally been constructed in collaboration with Buckinghamshire and Milton Keynes Fire and Rescue (B&MKFRS)
- 3.7. RBFA current policy has also been used as a basis for recommendations, as in some cases the practices outlined in the discretion statements are already carried out by RBFA. Consideration was also taken into account of the FPS 1992 scheme and the FPS 2006 scheme rules for consistency purposes.
- 3.8. The local Pensions Board provided greater scrutiny and subsequent agreement to the recommendations within this report.
- 3.9. Appendix B and Appendix C should now be considered and agreed by the Fire Authority in line with Section 2 of this report.
- 3.10. An annual review will be undertaken to ensure the statement remains current and in line with best practice. All recommended changes will be brought forward to the Fire Authority for ratification.

4. FINANCIAL, LEGAL, RISK MANAGEMENT, ENVIRONMENTAL AND EQUALITY IMPLICATIONS

- 4.1. Agreeing and adopting a statement of policy incorporating all 52 discretions will support decision making at a later date. A number of policy decisions can carry significant cost implications and therefore agreeing the Fire Authority's policy on where and how to exercise the discretions will be important to manage risk as well as for administrative purposes and consistency of approach.
- 4.2. Financial – This paper outlines the position in relation to the 52 discretions that the scheme manager must determine. Discretions in some Regulations require determination as to whether employer and employee contributions are made by the Authority, which will incur a cost. Employer pension contributions 14.3% for the 2015 scheme.
- 4.3. Legal – this paper outlines the areas where the Authority must determine the approach it wishes to adopt in relation to the remaining discretions provided in the 2015 scheme.
- 4.4. Environmental – there are no environmental issues arising from this report.

4.5. Equality Implications – whilst there are no direct equality implications arising from this report, it should be noted that the application of rules in each pension scheme may vary.

5. COMPLIANCE WITH STANDING ORDERS / FINANCIAL REGULATIONS

5.1. This paper is compliant with standing orders and financial regulations.

6. CONTRIBUTION TO STRATEGIC COMMITMENTS

6.1 Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provide good value for money by the securing compliance with the scheme regulations and other legislation relating to governance and administration of the scheme.

7. ASSESSMENT AGAINST THE PARTNERSHIP FOR COMMON SENSE

7.1. There has been no direct contact with representative bodies in relation to this matter although there are member representatives on the local Pension Board

8. BACKGROUND PAPERS

8.1. Scheme Manager Discretions – the Firefighters’ Pension Scheme (England) Regulations 2014 – Local Government Association

8.2. www.legislation.gov.uk/uk/si/2014/2848/regulation/155/made - Link to the full Legislation

9. CONSULTATION WITH STATUTORY OFFICERS

9.1. Chief Fire Officer

The Chief Fire Officer has been consulted on this report.

9.2. Head of Finance and Procurement

The Head of Finance and Procurement has been consulted on this report.

9.3. Monitoring Officer

The Monitoring Officer has been consulted on this report.

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