

OFFICIAL

Agenda item: 01

Appointment of Chair and Vice Chair of Local Pension Board 2024/5

Local Pension Board

Date: 2 August 2024

Submitted by: Director of Corporate Services

Purpose: To appoint a Chair and Vice Chair of the Local Pension Board for 2024/25 in accordance with the Terms of Reference.

Recommendations: That appointments be made to the positions of Chair and Vice Chair

Summary: It is a requirement of the Terms of Reference that appointments be made to the positions of Chair and Vice Chair of the Local Pension Board on an “annual rotational basis”. This report invites members to make the relevant appointments from the membership.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Jik Townson, Committee Services and Governance Officer
Jik.Townson@WestYorksFire.gov.uk

Background papers open to inspection: None

Annexes: None

1. Introduction

- 1.1 It is a requirement of the Local Pension Board Terms of Reference that appointments to the positions of Chair and Vice chair be made on an “annual rotational basis”. This report invites members to make the relevant appointments

2. Information

- 2.1 Chair of the Board in 2023 – 24 was John Roberts as Scheme Manager representative with Ian Dunkley as Vice chair representing the Scheme Members.
- 2.2 Nominations are invited from the membership for appointment to the posts for 2024/25

3. Financial Implications

- 3.1 There are no direct financial implications arising out of this report.

4. Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority’s Constitution.

5. Human Resource and Diversity Implications

- 5.1 There are no direct human resource or diversity implications arising out of this report

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: no

7. Health, Safety and Wellbeing Implications

- 7.1 There are no direct health safety and wellbeing implications arising out of this report

8. Environmental Implications

- 8.1 There are no direct environmental implications arising out of this report

9. Your Fire and Rescue Service Priorities

- 9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- Provide ethical governance and value for money.
- Work in a sustainable and environmentally friendly way.
- Achieve a more inclusive workforce, which reflects the diverse communities we serve.
- Continuously improve using digital and data platforms to innovate and work smarter.

10. Conclusions

10.1 That the Chair and Vice of the Loal Pension Board for 2024/25 are appointed.

OFFICIAL

Agenda item: 02

Membership of the Local Pension Board for 2024/25

Local Pension Board

Date:	2 August 2024
Submitted by:	Director of Corporate Services
Purpose:	To advise membership of the Board in 2024/5
Recommendations:	That the report be noted
Summary:	Appointments to the Local Pension Board are made on an annual basis. This report advises of membership for 2024/25

Local Government (Access to information) Act 1972

Exemption Category:	None
Contact Officer:	Jik Townson, Committee Services and Governance Officer Jik.Townson@WestYorksFire.gov.uk
Background papers open to inspection:	None
Annexes:	None

1. Introduction

- 1.1 Appointments to the Local Pension Board are made on an annual basis. This report advises of membership for 2024/25

2. Information

- 2.1 The Local Pension Board has six members with equal representation (3) from both Scheme Members and the Scheme Manager.

- 2.2 Appointments as Scheme Member representatives are made on an annual basis following formal advertisement of the posts, written application and a selection process as appropriate.

- 2.3 The following were appointed as Scheme Member representatives on the Local Pension Board for 2023/24;

Mr Ian Dunkley * now retired from the Board

Mr Ryan Binks

Mr Jim Davies.

- 2.4 Appointments as Scheme Manager representatives are made at the Annual Meeting of the West Yorkshire Fire and Rescue Authority. The following members were elected as Scheme Manager representatives on the Local Pension Board for 2023/24;

- 2.5 Councillor Mike Pollard

- 2.6 Councillor Fozia Shaheen

- 2.7 Chief Fire Officer John Roberts

3. Financial Implications

- 3.1 There are no direct financial implications arising out of this report.

4. Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

- 5.1 There are no direct human resource or diversity implications arising out of this report

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

- 7.1 There are no direct health safety and wellbeing implications arising out of this report

8. Environmental Implications

- 8.1 There are no direct environmental implications arising out of this report

9. Your Fire and Rescue Service Priorities

- 9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Provide ethical governance and value for money.
- Work in a sustainable and environmentally friendly way.
- Achieve a more inclusive workforce, which reflects the diverse communities we serve.
- Continuously improve using digital and data platforms to innovate and work smarter.

10. Conclusions

- 10.1 That membership of the Loal Pension Board for 2024/25 be noted

DRAFT

EXCLUSION OF THE PUBLIC - SECTION 100A LOCAL GOVERNMENT ACT 1972

RESOLVED : That the public be excluded from the meeting during the item of business specified below as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this time, there would be disclosure to them of exempt information of the description respectively specified.

AGENDA ITEM NO.	TITLE OF REPORT	MINUTE NUMBER (to be added)	Description of exempt information by reference to the paragraph number in Schedule 12a of the Local Government Act 1972

Disclosure of Disclosable Pecuniary Interests (DPI's)

- 1 Members present at the meeting who are aware that they have a DPI in a matter being considered must disclose the details of that DPI to the meeting unless it is already recorded on the Authority Members DPI Register.
- 2 Any Member with a DPI may not participate in any discussion or vote and under Authority Standing Orders is required to leave the meeting during any discussion or vote unless they have been granted a dispensation from exclusion from the meeting by the Executive Committee or in certain circumstances by the Monitoring Officer before any consideration of the item by the committee starts.

Footnote:

- (1) Members are referred to the Authority Constitution and to the provisions of sections 30-34 of the Localism Act 2011 and to the statutory regulations made thereunder which define the meaning of a DPI.
- (2) Members are reminded of the potential criminal sanctions and disqualification provisions under Section 34 of the Act applicable to breaches of disclosure and non-participation requirements.
- (3) A Member with a sensitive DPI need not disclose the details of that interest with the Monitoring Officers agreement but must still disclose the existence of a DPI and must withdraw from the meeting.

Application for dispensation to vote

Attached is a blank "application for dispensation" form which Members of the Committee may use to seek the grant of an individual dispensation on any item on the agenda.

Where possible, the completed form should be returned to the Monitoring Officer in advance of the meeting so that he can consider whether a dispensation should be granted. Block dispensations affecting a significant number of Members will be referred to the Executive Committee for approval, if time permits.

West Yorkshire Fire and Rescue Authority

Sections 31 and 33 Localism Act 2011

Member Participation & Voting Dispensation Request

Section for completion by Member

Name of Member:

Correspondence/ email address:

Dispensation applied for: (1) Participation (2) Voting (3) Both

Details of Meeting/agenda Item:

Full details of why you are applying for a dispensation:

Signed:

Dated:

Please send your application to the Monitoring Officer at Fire & Rescue Service Headquarters Birkenshaw BD11 2DY – martinmccarthy@westyorksfire.gov.uk

Section for completion by Monitoring Officer:

No in Register:

Received on:

Granted/ Refused

Reasons for refusal / Statutory Grounds relied upon for grant:



Minutes

Local Pension Board

Date: 19 January 2024

Time: 12noon

Venue: FSHQ

Present: Ian Dunkley, (in the chair), Ryan Binks, Jim Davies (Scheme Member representatives), John Roberts, Cllr Fozia Shaheen and Cllr Mike Pollard (Scheme Manager representatives).

In Attendance: James Clarkson, Technical Advisor

Apologies: None

16 Chairs Announcements

There were no chairs announcements.

17 Admission of the Public

There were no items requiring the exclusion of the public and press.

18 Urgent Items

There were no urgent items.

19 Declarations of Interest

There were no declarations of disclosable pecuniary interest in any matter under consideration at the meeting.

20 Minutes of the last meeting held on 4 August 2023

RESOLVED

That the Minutes of the meeting held on 4 August 2023 be signed by the Chair as a correct record.

21 LPB Activity Report

Members considered a report submitted by the Director of Human Resources concerning performance in key areas for the period 1 July 2023 to 31 December 2023.

Members noted that in respect of the recruitment figures it is very common for firefighters to be employed under two roles, for example Wholetime and On Call Firefighter.

RESOLVED

That the report be noted.

22 Scrutiny and Review

The Director of Human Resources submitted information on the following areas for scrutiny and review:

- **Discretions** – three discretions have been exercised by the Scheme Manager during the relevant period.
- **Pensions Breaches register** – For the period from 1st July 2023 to 31st December 2023 one breach has been identified. (not reported to as still investigating addresses for missing members)
- **Pensions Risk register** – attached at appendix B to the report.
- **Compliance deadlines** – the deadlines were set out for year end, Annual Benefit Statement (ABS), Pension Saving Statement (PSS) and TPR Scheme Return and Survey. Full details attached at appendix B to the report.

It was noted that West Yorkshire Pension Fund (WYPF) have confirmed that all ABSs were issued by the deadline of 31st August 2023 and that all PSSs were issued by the deadline of 6th October 2023. They have also submitted the annual scheme return ahead of deadline.

Members noted that the missing addresses were still being investigated, with care being exercised to ensure compliance with General Data Protection Regulations (GDPR).

RESOLVED

That the report be noted.

23 Legislative Update

The Director of Human Resources submitted a report which provided an update regarding the following legislation:

- Age Discrimination Remedy Regulations
- Remedy Tax Regulations No. 2
- Retained Firefighters' Pensions Settlement
- CARE Revaluation Error
- Valuation Directions from HM Treasury
- Abolition of the Lifetime Allowance
- Pension Dashboards

Members raised the following points:

- Whether the new pension dashboards would be linked to the existing WYPF portal.
- Whether the incorrect tax deductions over and above the 4 year legal limit already paid by HMRC would be covered by the Authority.

RESOLVED

That the report be noted.

24 Age Discrimination Remedy

The Director of Human Resources presented a report updating members on the implementation of the age discrimination remedy.

Members challenged the report author on the following;

- The decision making process and the evidence that would be required
- Whether members who had overpaid their contributions when rolled back to the 2006 scheme, could submit a reclaim
- Whether the buyback of additional years would be based on pay rates from the time of earnings
- Whether the decision to transfer out could be reversed.
- Where unpaid leave had been taken and payments stopped, could the lump sum payment requested to cover the contributions from that time be paid by monthly instalments.

RESOLVED

That the report be noted.

25 Matthews Remedy

The Director of Human Resources presented a report updating members on the implementation of the Matthews remedy.

Members were advised that when a statement is applied for this would not indicate a commitment and that the statement would be provided within 3 months and then the final decision would not be required for a further 6 months. Members questioned if the scheme would include staff who have transferred in from another service and if the tax relief on contributions made, would be at the standard basic rate.

RESOLVED

That the report be noted.

26 Pension Ombudsman – Update

Members received a report of the Director of Human Resources which confirmed that in the period 1st July 2023 to 31st December 2023 there have been two ombudsman decisions relating to the Firefighters Pension Scheme and neither were upheld.

RESOLVED

That the report be noted.

27 West Yorkshire Pension Fund – Key Performance Indicators

Consideration was given to a report of the Director of Human Resources which advised of West Yorkshire Pension Fund (WYPF) performance in key areas for the year to date. Members were provided with clarification of the figures and the background for the areas where targets have not been met.

RESOLVED

That the report be noted.

28 Firefighter Pension Scheme Bulletins 71 - 76

Consideration was given to the content of bulletins 71 - 76.
The following issues were highlighted with current status information:

[FPS Bulletin 71 – July 2023](#)

- **Home Office collection of FPS forecasts for 2023-24 to 2028-29**

FRAs should ensure that they are using the correct CPI rates in their forecasts and ensure that they meet the submission deadline. FRAs should also look out for the Home Office's follow up email, if you are affected and engage with them accordingly, to ensure the data submitted is accurate.

Complete

- **Age discrimination remedy – retrospective remedy**

FRAs and administrators to read the response and ensure that they are working to be ready for the regulations' implementation on 1 October 2023

Complete

- **Age discrimination remedy – Contributions Calculator inputs**

FRAs and administrators may wish to familiarise themselves with the draft inputs, so that they can ensure they are holding all the relevant data. A full data specification will be available in due course.

Complete

- **Age discrimination remedy – Interest and Tax**

FRAs and administrators should take note of this position, to ensure that they act accordingly when carrying out remedy.

Complete

- **Age discrimination remedy – Pension scams**

Administrators and/or FRAs to add the suggested wording to the pension webpages.

Complete

- **Age discrimination remedy – warm up letters**

FRAs/administrators should use these to communicate with their members ahead of October 2023.

Complete

- **Age discrimination remedy – Ill health reassessment member outcome letters**

Once the IQMP has provided their determination and FRAs have considered this and agree with the outcome, FRAs should send these using the relevant member outcome letter.
In progress

- **Firefighters' Pension Scheme Adjustment in Respect of 2021 and 2022 Revaluation**

FRAs and administrators to make themselves aware of this issue and start scoping the work involved.
Complete

- **Government Actuary Department (GAD) – updated factors**

FRAs and administrators to ensure that they are using the revised factors from the relevant implementation dates.
Complete

- **Abolishing the pensions lifetime allowance**

FRAs and administrators to make themselves aware of the measures involved and consider whether they wish to respond to the consultation.
Complete

- **Age discrimination remedy - Member tax calculator**

Scheme Managers should register on the Secure Exchange Data Service ahead of the remedy exercise and delegate access accordingly.
Complete

[FPS Bulletin 72 – August 2023](#)

- **Age discrimination remedy – warm up letters**

FRAs/administrators should use these to communicate with their members ahead of October 2023.
Complete

- **Age Discrimination Remedy – Remediable Service Statements**

Administrators are recommended to use the template covering letter, where the RSS is not yet available with existing retirement option letters offering the member a choice of legacy and reformed scheme benefits.

FRAs should have regard to the LGA's proposed approach and understand that any decision to retire a member into the legacy scheme without a choice, is a scheme manager decision, and should be by exception only. FRAs should ensure that they understand the implications of retiring members into the legacy scheme without a choice.
Complete

- **Age discrimination – Contributions Calculator**

FRAs and administrators should familiarise themselves with the draft inputs, so that they can ensure they are holding all the relevant data.
Complete

- **The Pension Regulator (TPR) – Scheme Return**

FRAs to ensure that their scheme return contact details are up to date.
Complete

[FPS Bulletin 73 – September 2023](#)

- **Firefighters' Pension Schemes (England) (Amendment) Order 2023**

FRAs and administrators to familiarise themselves with the consultation response ahead of the Matthews Second Options exercise.

Complete

- **Disclosure Requirements**

FRAs to ensure they comply with disclosure requirements by ensuring they send the appropriate letter to Sargeant and Matthews eligible members no later than 31 December 2023.

Complete (where address held)

- **Age Discrimination Remedy – terminology**

FRAs and administrators to note that whilst there is different terminology it all relates to the same exercise.

Complete

- **Age Discrimination Remedy – GAD Tax and Contribution Calculator**

FRAs and administrators to familiarise themselves with the calculator and carry out testing against their data and feedback any issues to GAD and LGA.

Complete

- **Age Discrimination Remedy – Member videos**

FRAs and administrators to publicise the QR code and signpost individuals to the fps member website for information relating to remedy, in particular the member videos as part of your communications.

Complete

- **Concurrent Service – Interbrigade transfers**

FRAs to make employees aware of the pension implications, should an overlap of service occur when leaving and joining another FRA, even if only by a day.

Complete

- **Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023**

FRAs and administrators should familiarise themselves with the Directions order to ensure that they are aware of the changes.

Complete

- **Public Service Pensions Remedy – Member calculator**

FRAs and administrators to familiarise themselves with the inputs that the member will need information for.

Complete

[FPS Bulletin 74 – October 2023](#)

- **Age Discrimination Remedy - Contingent Decisions guidance**

Scheme managers to read the guidance and mutually agree any setting of target dates with their administrator before sharing the claim process with members.

Guidance read – awaiting information from administrator

- **Firefighters' Pension Scheme Adjustment in Respect of 2021 and 2022 Revaluation**

Scheme Managers are to ensure that this error is corrected retrospectively.
In progress

[FPS Bulletin 75 – November 2023](#)

- **Matthews – GAD calculator**

FRAs,

1. Should read the user guide.
2. Should ensure that they have the most up to date version of the calculator when they update the spreadsheet at the beginning of the month to allow for the latest interest rates.
3. Should share this information with anyone who is carrying out the Matthews second options exercise.

Complete

- **Matthews – Consequential loss claims**

FRAs are encouraged to respond to requests accordingly.

Complete (no outstanding requests)

- **Matthews – Monitoring and reporting**

FRAs to maintain robust record keeping ensuring that the data required by the Home Office and GAD is easily accessible.

In progress

- **Matthews – Deceased members**

FRAs to stockpile any cases which are currently not covered by the regulations until an amendment is in place.

Complete

- **2022/23 Event Reporting - Annual Allowance Statements & Lifetime allowance**

Scheme Managers need to submit data by 31 January 2024

In progress

[FPS Bulletin 76 – December 2023](#)

- **Matthews – Deceased members**

FRAs to use the documents provided and can amend them where required.

To do

- **Matthews – Supporting documents**

FRAs are encouraged to use the Individual Statement of Details documents to send an individual with information on their options

To do

- **Age discrimination remedy – Immediate Choice Remediable Service Statement (IC RSS)**

- 1) FRAs are encouraged to discuss the timetabling of the RSS with their administrators.
- 2) Administrators are asked to commence testing the use of the IC RSS and provide any feedback to bluelighpensions@local.gov.uk

To do

- **Firefighters' Pension Scheme Contacts**

All readers to complete the contact form response by 20 January 2024.

Complete

RESOLVED

That the content of bulletins 71 - 76 be noted.

29 Scheme Advisory Board Minutes of Meeting held on 8 June 2023

RESOLVED

That the Minutes of the Meeting held on 8 June 2023 be noted.

Chair

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Agenda item: 07

Local Pension Board Terms of Reference Annual Review

Local Pension Board

Date:	2 August 2024
Submitted by:	Director of Corporate Services
Purpose:	To review the Terms of Reference for the Local Pension Board
Recommendations:	That the report be noted
Summary:	The Local Pension Board was established on 1 April 2015 and it is a requirement that the Terms of Reference be reviewed on an annual basis.

Local Government (Access to information) Act 1972

Exemption Category:	None
Contact Officer:	Jik Townson, Committee Services and Governance Officer Jik.Townson@westyorksfire.gov.uk
Background papers open to inspection:	None
Annexes:	Terms of Reference – Local Pension Board

1. Introduction

- 1.1 This report invites Members to review of the Local Pension Board Terms of Reference.

2. Information

- 2.1 The Local Pension Board Terms of Reference have been kept under review since its establishment in April 2015. A copy of the current Terms of Reference is attached at Annex A.
- 2.2 It is a requirement of the Board that the Terms of Reference be reviewed on an annual basis. Members are now invited, therefore, to consider the Terms of Reference for the 2024/25 year and note that any amendment will be included in the Local Pension Board's Constitution document and will require formal approval from the Fire Authority.

3. Financial Implications

- 3.1 There are no direct financial implications arising from this report

4. Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

- 5.1 There are no direct equality and diversity implications arising from this report.

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

- 7.1 There are no direct health, safety or wellbeing implications arising from this report.

8. Environmental Implications

- There are no direct environmental implications arising from this report.

9. Your Fire and Rescue Service Priorities

9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Provide ethical governance and value for money.
- Collaborate with partners to improve all of our services.
- Work in a sustainable and environmentally friendly way.
- Continuously improve using digital and data platforms to innovate and work smarter.

10. Conclusions

10.1 That the Terms of Reference for the Loca Pension Board be reviewed.

West Yorkshire Fire and Rescue Authority

Local Pension Board

Terms of Reference

Function and Responsibilities

The function of the Local Pension Board is to assist the Scheme Manager (West Yorkshire Fire and Rescue Authority) in administering the various firefighter pension schemes. This will be achieved by providing governance and by scrutiny of policies, pension documentation, decisions and outcomes.

The Local Pension Board will also assist the Scheme Manager to:

- secure compliance with the Regulations, any other legislation relating to the governance and administration of the Schemes, and requirements imposed by the Pensions Regulator in relation to the Schemes and;
- ensure the effective and efficient governance and administration of the Schemes

Duties of the Board

The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of these duties Board members:

- should act always in the interests of the Scheme and not seek to promote the interests of any stakeholder group above another
- should be subject to and abide by the Local Pension Board approved code of conduct

Frequency of meetings

The WYFRA Local Pension Board will meet six monthly (July and January in each municipal year), to review / report on previous actions and determine work streams and priorities for the future.

The Chair of the Board, with the consent of the Board membership, may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

Local Pension Board membership

To comply with the regulations the Board must have a minimum of four members (two Scheme Member representatives and two Scheme Manager representatives. A Local Pension Board membership of four is the most straight forward and cost effective way of providing the Local Pension Board and complying with the Regulations.

Membership of the West Yorkshire Fire and Rescue Authority Local Pension Board will be:

3 X Scheme Member representatives (including 1 x FBU representative)

3 X Scheme Manager representatives (2 x elected Members, 1 x Officer representative)

Non-voting Officer Advisor(s) as appropriate

Scheme Manager (elected Member) representation on the Board will be determined by the Fire Authority at its Annual Meeting (or as otherwise required). The Officer representative will be nominated by the Authority's Management Board.

The Officer Advisor will be a specific officer who is to assist the Board in gathering/analysing information and writing reports. The Board will also be able to request assistance from any officer who has specific knowledge of a subject matter they are investigating.

Scheme Member representatives

Scheme Member representatives shall be appointed to the Board on an annual basis (or as otherwise required) by the Executive Committee of the West Yorkshire Fire and Rescue Authority following a formal application process.

2 x Scheme Member representatives will be active, deferred or retired members of one of the firefighter pension schemes administered by WYFRA.

1 x Scheme Member representative will be nominated by the Fire Brigades' Union.

Scheme Member representatives should be able to demonstrate

- their capacity to represent pension scheme members
- capacity to attend and complete the necessary preparation for meetings, and
- capacity to participate in training as required

Scheme Manager representatives

2 x elected Member Scheme Manager representatives shall be appointed on an annual basis to the Board at the Annual Meeting of the Authority (or as otherwise required)

1 x Officer Scheme Manager representative shall be appointed/confirmed on an annual basis by the Authority's Management Board.

Scheme Manager representatives with delegated responsibility for discharging the Scheme Manager function of WYFRA may not serve as Scheme Manager representatives on the Board.

Scheme Manager representatives should be able to demonstrate

- their capacity to represent the Scheme Manager
- capacity to attend and complete the necessary preparation for meetings, and
- capacity to participate in training as required

Appointment of Chair and Vice chair

Local Pension Board Members will act as the Chair and Vice- chair on an annual, rotational basis ie. when a Scheme Manager representative is appointed Chair of the Board, the position of Vice chair will be filled by a Scheme Member representative and vice versa on an annual basis, unless agreed otherwise.

Notification of appointments

On appointment to the Board, WYFRA shall publish the name of the appointees, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Board.

Objectives

WYFRA Local Pension Board should consider the following:

- Are pension statements timely and accurate?
- How long does it take between retirement and receipt of pension?
- The number of errors made by the pension administrator.
- Are relevant policies in place and of a sufficient standard?
- Are pension estimates accurate and timely?
- Is the West Yorkshire Pension Fund (WYPF) website accurate and user friendly?
- Ensure that annual CARE scheme calculations are being carried out.
- Scrutinise data quality.

- Ensuring pension rules and regulations are being complied with, when officers are making decisions on pension matters.
- If complaints/appeals are being dealt with correctly and the correct procedures being followed.
- Review internal audit reports

This list is not exhaustive. The Local Pension Board will have the power to investigate anything it wishes in relation to the firefighters' pension schemes within WYFRS.

Conduct and Conflict of interest

Members of the Board are responsible for ensuring that their board membership does not result in any conflict of interest with any other posts they hold.

All members of the Board must declare to WYFRA on appointment and at any such time as their circumstances change any potential conflict of interest arising as a result of their position on the Board. On appointment to the Board and following any subsequent declaration of potential conflict WYFRA shall ensure that any potential conflict is effectively managed in line with both the internal procedures of WYFRA and the requirements of the Pensions Regulator's codes of practice on conflict of interest for Board members.

Members of the Board must not use their membership for personal gain.

Gifts and hospitality should only be accepted with the permission of the Authority - any gifts accepted should be reported on in the Local Pension Board's annual report.

Members of the WYFRA Local Pension Board should maintain confidentiality when discharging their duties.

The WYFRA Local Pension Board has the right to use WYFRA facilities and resources in the course of discharging its duties.

Knowledge and understanding (including Training)

Knowledge and understanding must be considered in light of the role of the Board to assist WYFRA as detailed above. The Board should establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to Board members. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.

Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding

policy and framework. Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

Term of office

Term of Office should be for 2 years and in accordance with the committee cycle in WYFRA

Board membership may be terminated prior to the end of the term of office due to:

- A Scheme Member representative no longer holding the office or employment or being a member of the body on which their appointment relied
- A Scheme Manager representative no longer holding the office or employment or being a Member on which their appointment relied
- The representative no longer being able to demonstrate their capacity to attend and prepare for meetings or to participate in required training

Board Members may be re-appointed for more than one term of office following an approved appointment / nomination process.

Reporting

The West Yorkshire Local Pension Board will produce an Annual Report which will highlight areas of concern and identify good practice.

The report will also contain information on the number of retirements (natural and ill health), new starters, membership and opt-out numbers.

The Board will report to the Human Resources Committee.

Resourcing and funding

Members of the WYFRA Local Pension Board will be entitled to claim any reasonable out of pocket expense incurred through discharging their Local Pension Board responsibilities.

The Board will not have a dedicated budget. Requests for finance to purchase technical assistance, Board member training and anything else the Board may require to effectively discharge its duties will be made through the WYFRA Finance and Resources Committee.

Quorum

A meeting is only quorate when three Board members are present (including either the Chair or Vice chair).

Voting

The Chair shall determine when consensus has been reached. There will be no casting vote.

Where consensus is not achieved this should be recorded by the Chair.

Relationship with West Yorkshire Fire and Rescue Authority

In support of its core functions the Board may make a request for information to WYFRA with regard to any aspect of the Scheme Manager function. Any such a request should be reasonably complied with in both scope and timing.

In support of its core functions the Board may make recommendations to WYFRA which should be considered and a response made to the Board on the outcome within a reasonable period of time.

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Agenda item: 08

Local Pension Board Annual Report 2023/24

Local Pension Board

Date:	2 August 2024
Submitted by:	Director of Corporate Services
Purpose:	To receive the Local Pension Board Annual Report 2023/24
Recommendations:	That members note the report
Summary:	It is a requirement that the Local Pension Board produces an Annual Report each year setting out activity during the course of the previous year

Local Government (Access to information) Act 1972

Exemption Category:	None
Contact Officer:	Jik Townson, Committee Services and Governance Officer Jik.Townson@westyorkshire.gov.uk
Background papers open to inspection:	None
Annexes:	Local Pension Board Annual Report 2023/24

1. Introduction

- 1.1 The Local Pension Board is required to submit an Annual Report for formal ratification by West Yorkshire Fire and Rescue Authority's Human Resources Committee as set out in its Terms of Reference.

2. Information

- 2.1 The Annual Report of the Local Pension Board is attached at Annex A

3. Financial Implications

- 3.1 There are no direct financial implications arising from this report

4. Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

- 5.1 There are no direct human resource and diversity implications arising from this report

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: no

7. Health, Safety and Wellbeing Implications

- 7.1 There are no direct health safety and wellbeing implications arising from this report

8. Environmental Implications

- 8.1 There are no direct environmental implications arising from this report;

9. Your Fire and Rescue Service Priorities

- 9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:
- Provide ethical governance and value for money.
 - Collaborate with partners to improve all of our services.
 - Work in a sustainable and environmentally friendly way.

LOCAL PENSION BOARD

Annual Report 2023 - 2024

OFFICIAL

Ownership: Legal and Governance

Date Issued:

Version:

Status: Final



Revision and Signoff Sheet

Change Record

Date	Author	Version	Comments
		V1 – initial draft	To submit to Local Pension Board for final comment and recommendation for approval to HR Committee – 2 August 2024
		V2 – final version	To submit to HR Committee for formal ratification

Reviewers

Name	Version Approved	Position	Organisation	Date
Jik Townson		Committee Services	WYFRA	22.07.24

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1 Foreword

- 1.1 The purpose of this Annual report is to provide a source of information about the status of West Yorkshire Fire and Rescue Authority Local Pension Board for Scheme members and for the Scheme Manager together with a summary of issues considered in the relevant period (1 April 2023 – 31 March 2024)
- 1.2 In accordance with Section 5 and s.30 (1) of the Public Service Pensions Act 2013 and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the West Yorkshire Fire and Rescue Authority Local Pension Board was established in February 2015 to provide advice on the effective and efficient administration and management of the various firefighter pension schemes.
- 1.3 The Local Government Pension Scheme for Green Book employees is monitored by a separate Local Pension Board established by the West Yorkshire Local Government Pension Scheme and does not form part of this Annual Report.
- 1.4 The Report includes commentary on the following;
- A summary of the work undertaken by the Local Pension Board during 2023/24
 - Detail of areas investigated and how these areas were dealt with
 - Any conflicts of interest and how these were managed
 - Any identified risks and other areas of potential concern
 - Any expenses and costs incurred by the Board
 - Gifts and hospitality received by members of the Board
 - Training for Board members
 - Breaches
 - Scrutiny and review

2 Membership and Meetings of the Board

- 2.1 The West Yorkshire Fire and Rescue Authority Local Pension Board comprises 6 members as follows (as approved by the Full Authority on 29 June 2023);
- 3 Scheme Member representatives (Ryan Binks, Jim Davies (FBU) and Ian Dunkley)
 - 3 Scheme Manager representatives (Councillors Mike Pollard and Fozia Shaheen, and John Roberts CEx/CFO - Chair) (plus Non-voting Officer Adviser(s) as appropriate)
- 2.2 The Board has met on 2 occasions in the 2023 – 24 year. There was an attendance of 83% during the period in question.

3 Work undertaken by the West Yorkshire Fire and Rescue Authority Local Pension Board 2023/24

- 3.1 The work undertaken by the Board during the course of the year has been defined by the extant Terms of Reference (initially approved at the 24 June 2016 meeting of the West Yorkshire Fire and Rescue Authority) and as amended in December 2021 with regard to the revised term of office (two years).

- 3.2 During the period 1 April 2023 – 30 June 2024 the following items were considered by the Board;
- Updates on the work with the national Scheme Advisory Board (SAB) & its sub-committee (Ensuring the effectiveness of the Local Pension Board)
 - Pension Fund – Key Performance Indicators and corporate risks
 - Discretions made by the Scheme Manager
 - Annual benefit statements and pension saving statement deadline
 - Annual review of Terms of Reference
 - Pension Risk Register
 - Compliance deadlines and Breaches Register
 - Pensions administration audit
 - Pension Ombudsman sample cases
 - Legislative updates
 - Firefighter Pensions England bulletins
- 3.3 The Activity report (submitted to each meeting) includes detail on the number of;
- pension scheme members across the various schemes
 - number of new scheme members
 - retirees
 - pensioner members
 - deferred members
 - IDRPs stage 1 and 2 complaints
 - Opt-outs
 - Pension estimates requested / processed
- 3.4 Each agenda also includes the following standing items;
- legislative update (see section 10.)
 - scrutiny and review (including discretions, breach and risk registers)
 - Pensions ombudsman cases (see section 9.)
 - Member training update
 - WY Pension Fund key performance indicators
- 4 Specific Investigations and Board Resolutions**
- 4.1 There were no investigations or actions that required further investigation during 2023/24.
- 5 Conflicts of interest**
- 5.1 As statutorily required, members of the Local Pension Board complete a Declaration of Interests. The register is maintained by the West Yorkshire Fire and Rescue Authority Committee Services section. Members of the Board reviewed their Declarations in July 2023.
- 5.2 There have been no declarations made by any member, adviser or attendee at any meeting of the Board during the relevant period.

6 Identified Risks and areas of concern

- 6.1 No specific risks or areas of concern were raised during the year.

7 Expenses and Costs

- 7.1 There has been no expenditure or costs incurred within the relevant period for the administration of the Board.

8 Gifts and Hospitality

- 8.1 There have been no declarations of gifts or hospitality received by Members of the Local Pension Board during the relevant period.

9 Training

- 9.1 It is a statutory requirement of the Public Service Pensions Act 2013 that members of the Local Pension Board should have the capacity to become conversant with, and develop a knowledge of, detailed related issues in order to effectively carry out their duties.
- 9.2 In this respect monthly bulletins from LGA Pension Advisory Service have been provided along with the summaries and decisions on cases dealt with by the Pension Ombudsman, which serve as a learning tool for LPB members.
- 9.3 In addition members have been offered the opportunity to attend LGA LPB Training Sessions via MS Teams

10 Legislative Updates

- 10.1 As a statutory requirement, members of the Local Pension Board have been provided with regular legislative updates.
- 10.2 The following have been provided during the relevant period;
- Public Service Pensions & Judicial Offices Act 2022, Finance Act 2022,
 - Matthews – Second Option Exercise,
 - Age Discrimination Remedy,
 - Remedy Tax Legislation,
 - Judicial Review into 2016 Cost Cap Valuation
 - SCAPE Discount Rate
 - Retained Firefighters Pensions Settlement
 - CARE Revaluation Error
 - Valuation Directions from HM Treasury
 - Abolition of Lifetime Allowance
 - Pensions Dashboards

11 Scrutiny and Review

- 11.1 Members are required to scrutinise areas relevant to the administration of the Firefighters' Pension Schemes.
- 11.2 The following areas were scrutinised during the relevant period;
- Discretions
 - Breaches register

- Pension Risk register
- Compliance deadlines

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Agenda item: 08

Activity Report

Local Pension Board

Date: 02/08/2024

Submitted by: Director of People and Culture

Purpose: To inform members of key statistics relating to the Firefighters' Pension Scheme

Recommendations: That the report is noted

Summary: This report informs Members of a series of membership statistics and movements for the reporting period, as well as providing a summary of the number of opt-ins/outs, appeals made under the Internal Dispute Resolution Procedure (IDRP) and number of pension estimates processed

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
James.Clarkson@westyorksfire.gov.uk
01274 682311 ext. 680157

Background papers open to inspection: None

Annexes: IDRP Log

1. Introduction

1.1 This report informs Members of key statistics relating to the Firefighters' Pension Scheme as follows:

- Number of members across the various schemes
- Membership movements during the reporting period
- Number of opt-ins and opt-outs
- Number of retirements
- Estimates processed
- Number of new firefighter recruits
- Total firefighter headcount
- Number of IDRP Stage 1 and Stage 2 complaints

2. Information

2.1 Updated member statistics are detailed below. For consistency, the number of members under each scheme is where this is their current or most recent scheme. For example, a 2015 Scheme member with connected 1992 Scheme benefits is included in the 2015 Scheme figures.

2.2 Number of active members

Scheme	31/12/2023	30/06/2024
2015 Firefighters' Pension Scheme	1,024	1,031

2.3 Number of pensioner members (including beneficiaries)

Scheme	31/12/2023	30/06/2024
1992 Firefighters' Pension Scheme	2,324	2,313
2006 Firefighters' Pension Scheme	14	14
2006 Special (Modified) Scheme	40	45
2015 Firefighters' Pension Scheme	62	87
Total	2,440	2,459

2.4 Number of deferred members

Scheme	31/12/2023	30/06/2024
1992 Firefighters' Pension Scheme	79	76
2006 Firefighters' Pension Scheme	89	90
2006 Special (Modified) Scheme	11	14
2015 Firefighters' Pension Scheme	158	177
Total	337	357

2.5 Number of opt-ins:

2.5.1 In the period 1 January 2024 to 30 June 2024, **6** firefighters opted into the pension scheme. Please note that this figure does not include new starters who automatically join the scheme. These opt-ins can be broken down into the following demographics:

Age	Male	Female
18-30	0	1
31-40	3	0
41-50	1	0
51-60	1	0
60+	0	0
Total	5	1

2.6 Number of opt-outs:

2.6.1 In the period 1 January 2024 to 30 June 2024, **3** firefighters opted out of the pension scheme. These can be broken down into the following demographics:

Age	Male	Female
18-30	0	1
31-40	1	0
41-50	1	0
51-60	0	0

Age	Male	Female
60+	0	0
Total	2	1

2.7 Number of retirements:

2.7.1 In the period 1 January 2024 to 30 June 2024, **31** firefighters retired to pension.

2.8 Estimate Requests:

2.8.1 In the period 1 January 2024 to 30 June 2024, **59** estimate cases were processed.

2.9 New Recruits:

2.9.1 In the period 1 January 2024 to 30 June 2024, we appointed **30** Wholetime Firefighters and **7** On Call Firefighters. Of these, **0** chose to opt out of the pension scheme. The new starters can be broken down into the following demographics:

Age	Male	Female
18-30	16	6
31-40	8	5
41-50	2	0
51-60	0	0
60+	0	0
Total	26	11

2.10 Head Count:

2.10.1 The total number of Firefighter employees on 30th June 2024 was **1,066**. Of these, **1,031** are current pension scheme members.

2.11 Internal Dispute Resolution Procedure (IDRP):

2.11.1 In the period 1 January 2024 to 30 June 2024, **3** appeals were made under the IDRP. Further details are provided in **Annex A**

3. Financial Implications

3.1 There are no financial implications arising directly from this report.

4. Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

5.1 There are no HR and or Diversity implications arising directly from this report.

6. Equality Impact Assessment

6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

7.1 There are no health, safety and wellbeing implications arising directly from this report.

8. Environmental Implications

8.1 There are no environmental implications arising directly from this report.

9. Your Fire and Rescue Service Priorities

9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Achieve a more inclusive workforce, which reflects the diverse communities we serve.
- Continuously improve using digital and data platforms to innovate and work smarter.

10. Conclusions

10.1 This report is for information only.

Date Received	Area	Nature of Complaint	Stage 1 Deadline	Outcome (Stage 1)	Date of Outcome	Stage 2 Referral?
29/02/2024	Pensionable Pay	Is unhappy that turnout and disturbance fees only became pensionable under the FPS 1992 after he had retired on 09/07/2017	29/04/2024	Rejected - treatment of turnouts as pensionable associated with new policy applicable going forwards, collectively agreed with union.	14/06/2024	N
26/04/2024	RDS Second Options Exercise	WYFRS are unable to trace his first period of employment, which he claims was between 1996 and 2001 and so would have been eligible for the second options exercise.	26/06/2024	Upheld - member was able to provide documents showing he was employed by WYFRS for the period concerned. It was agreed that he could purchase service based on the earliest and latest dates of these documents	31/05/2024	N
14/04/2024	Ill-health Reviews	Complaint received from FBU requesting no further reviews due to affect on member's health and unlikelihood of being fit for regular employment	14/06/2024	Upheld - On review of medical evidence, Scheme Manager was content to decide no further reviews are required	31/05/2024	N

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Agenda item: 10

Scrutiny & Review

Local Pension Board

Date: 02/08/2024

Submitted by: Director of People and Culture

Purpose: To review discretions made by the scheme manager, breaches of the law, the pension risk register and compliance deadlines.

Recommendations: That the report is noted, and further action is taken as identified.

Summary: It is one of the requirements of the Local Pension Board that members scrutinise areas relevant to the administration of the Firefighters' Pension Scheme

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
James.Clarkson@westyorksfire.gov.uk
01274 682311 ext. 680157

Background papers open to inspection: None

Annexes: Discretions Log
Risk Register
2024 ABS-RSS Update from WYPF

1. Introduction

- 1.1 Local Pension Board members are to be conversant with Firefighters' Pension Scheme rules and other administration policies relevant to the schemes.
- 1.2 In accordance with this requirement updates have been provided on the following legislative issues:
- 1.3 In accordance with this requirement updates have been provided on the following issues:
 - Discretions made by the Scheme Manager
 - Breaches
 - Pension risk register
 - Compliance deadlines

2. Information

- 2.1 Discretions made by the scheme manager
 - 2.1.1 In the period 1 January 2024 to 30 June 2024, discretion has been exercised on 21 occasions. Details can be found in **Annex A**.
 - 2.1.2 The list includes decisions made under the contingent decision provisions in the age discrimination remedy, more details of which can be found in the respective report.
- 2.2 Breaches
 - 2.2.1 In the period 1 January 2024 to 30 June 2024 **0** breaches of the law have been identified.
- 2.3 Pension risk register
 - 2.3.1 The current risk register can be found in **Annex B**.
 - 2.3.2 Risk OPS5, relating to the legal challenge by unions to the government's decision to include remedy costs in the Cost Cap, has been removed following the Court of Appeal's [dismissal of their case](#).
- 2.4 Compliance Deadlines
 - 2.4.1 Members need to be mindful of the following key milestones of the pension administrative cycle and the dates associated with it:
 - TPR Scheme Return 25 January 2024
 - Year End deadline – 31 May 2024
 - Annual Benefit Statement (ABS) deadline – 31 August 2024

- Pension Saving Statement (PSS) deadline – 6 October 2024
- TPR Survey – TBC

- 2.4.2 WYPF have confirmed that the Scheme Return was submitted before the deadline.
- 2.4.3 WYFRS submitted their year-end file in April 2024, ahead of the deadline.
- 2.4.4 The Pensions Regulator has confirmed that they will not be issuing their Governance and Administration Survey in 2024 due to other priorities. They are aiming to recommence this in 2025.
- 2.4.5 WYPF have started to produce ABSs for members out of the scope of the age discrimination remedy. However, for members in scope for remedy, it is likely that these will be delayed until 31 December 2024 at the latest. This would constitute a breach of the legal deadline of 31 August 2024.
- 2.4.6 The delay is due to the late delivery of the software updates required for production of the ABS Remediable Service Statements from their IT supplier and the knock-on effect this will have on testing of the calculations and new statement template.
- 2.4.7 WYPF have been in discussions with TPR regarding the potential breach and will write to all affected members. A further update will be provided to members at the next meeting. An update provided by WYPF, which includes the letter they intend to send to members, can be found in **Annex C**.
- 2.4.8 WYPF are still aiming to meet the deadline of 6 October 2024 for the issuing of PSSs.

3. Financial Implications

- 3.1 There are no financial implications arising directly from this report.

4. Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

- 5.1 There are no HR and or Diversity implications arising directly from this report.

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

- 7.1 There are no health, safety and wellbeing implications arising directly from this report.

8. Environmental Implications

- 8.1 There are no environmental implications arising directly from this report.

9. Your Fire and Rescue Service Priorities

- 9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:
- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
 - Provide ethical governance and value for money.

10. Conclusions

- 10.1 This report is for information only.

Date	Request	Regulations	Mitigating Factors	Outcome
26/03/2024	Transfer request outside initial 12 months	FPS	Request directly from WYPF.	Scheme manager agreed for transfer of 2 non-occupational schemes to go ahead. No immediate cost to the authority, risk of ill-health retirement minimal
02/04/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out during remedy period	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
09/05/2024	Transfer request outside initial 12 months	FPS 2015 Regulation 141(3)	N/A	Approved - No immediate cost to the Authority and risk of redundancy/ill-health minimal
09/05/2024	Transfer request outside initial 12 months	FPS 2015 Regulation 141(3)	N/A	Approved - No immediate cost to the Authority and risk of redundancy/ill-health minimal
14/05/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out within 6m of 2015 transition	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
14/05/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out within 6m of 2015 transition	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
14/05/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out during remedy period	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
14/05/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out during remedy period	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
14/05/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out during remedy period	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
14/05/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out during remedy period	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
14/05/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out within 6m of 2015 transition	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015

14/05/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out within 6m of 2015 transition	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
29/05/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Evidence provided of reasons for opt-out	Accept - Scheme Manager satisfied that individual opted out of pension scheme due to upcoming transition to FPS 2015
29/05/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Evidence provided of reasons for opt-out	Accept - Scheme Manager satisfied that individual opted out of pension scheme due to upcoming transition to FPS 2015
06/06/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out within 6m of 2015 transition	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
06/06/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out within 6m of 2015 transition	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
06/06/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out during remedy period	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
19/06/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out during remedy period	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
21/06/2024	Contingent Decision - Opt-out	FPS Remedy Regulation 6	Opted out during remedy period	Accept - Scheme manager required to accept CD claim as opted out during remedy period or within 6m of date due to transition to FPS 2015
21/06/2024	Contingent Decision - Additional Service	FPS Remedy Regulation 29	Statement provided saying they would have paid for additional service at the time	Rejected - No evidence provided date before or during remedy period that they would have purchased additional service
28/06/2024	Request to backdate pension scheme service	FPS 2015 Regulation 12		Rejected - policy is to only start scheme membership from the start of the next pay period after opt-in request received

Risk Reference	Risk Area 1 - Regulatory and Compliance	Likelihood (1:least likely, 10:most likely)	Impact (1:least impact, 10:highest)	Score (likelihood x impact)	Main Control/Specific Risk Reduction Actions	Owner	Test	Next review	Comment
REG1	Failure to put appropriate governance arrangements in place and monitor risk	2	7	14	Scheme Manager and Pension Board awareness of legal responsibilities	Pension Board Chair	As Required		
					• Pension Board given up to date information on legal responsibilities	Scheme Manager	Annual	Jul-24	
					• Terms of reference in place and under review	Scheme Manager	Annual	Jul-24	Risk Register Policy agreed in July 2019
					• Procedures for assessing and managing risk	Scheme Manager	Annual	Jul-24	Breach Policy agreed in July 2019
					• Procedure to identify, assess and report breaches	Scheme Manager	Annual	Jul-24	
REG2	Failure to interpret rules or legislation correctly	2	7	14	• Suitable frequency of Pension Board meetings	Scheme Manager	Annual	Jul-24	
					Appropriate Pension Board Member training	Scheme Manager	Annual	LPB Meetings	Training records reviewed and maintained
					• Up to date and documented training log, showing completion of scheme-specific training and The Pensions Regulator's educational material	Scheme Manager	Ongoing	LPB Meetings	Legislative update is a standing item on the agenda
					• Technical advice and regular updates made available	Scheme Manager	Ongoing	LPB Meetings	Encouraged to attend LGA seminars, provided with monthly bulletins and given an overview of recent PO decisions
					• Ongoing process for acquiring relevant knowledge and understanding, with regular refreshers	Scheme Manager	As Required	LPB Meetings	Provided access to TPR online training and training from LGA
REG3	Conflicts of Interest	2	5	10	• Training of new Pension Board Members	Scheme Manager	Annual	LPB Meetings	
					• Awareness and understanding of relevant documentation as per TPR Code of Practice 14 paras 42-46	Scheme Manager	Ongoing	LPB Meetings	
REG4	Failure to comply with TPR deadlines	5	7	35	All Pension Board members to declare any conflicts	Scheme Manager	Ongoing	LPB Meetings	Standing item on LPB agenda
					• Conflicts of interest policy in place and fully understood	Scheme Manager	Ongoing	LPB Meetings	
REG5	Failure to comply with TPR deadlines	5	7	35	• Request for interests to be declared at each meeting	Scheme Manager	Ongoing	LPB Meetings	
					All pension Board members to keep up to date with TPR compliance deadlines	Scheme Manager	Ongoing	LPB Meetings	
REG6	Failure to comply with TPR deadlines	5	7	35	• Training of new Pension Board Members	Scheme Manager	Ongoing	LPB Meetings	
					• Technical advice and regular updates made available at LPB meetings	Scheme Manager	Ongoing	LPB Meetings	
Risk Reference	Risk Area 2 - Operations	Likelihood (1:least likely, 10:most likely)	Impact (1:least impact, 10:highest)	Score (likelihood x impact)	Main Control/Specific Risk Reduction Actions	Owner	Test	Next review	Comment
OPS1	Member data incomplete or inaccurate	5	7	35	Data management and monitoring requirements under SLA fully understood and deemed adequate	Scheme Manager	Monthly	Jul-24	Monthly return sent to WYFF for immediate reconciliation
					• Monthly processes to monitor records and carry out reconciliation	Administrator/Scheme Manager	Ongoing	Jul-24	Monthly report received from WYFF
					• Monthly KPI reporting on data issues - provide summary at each LPB meeting	Administrator/Scheme Manager	As Required	Jul-24	Done via monthly return, WYFFS verify any changed addresses
					• Data review arrangements in place including periodic address cleanse	Scheme Manager	As Required	Jul-24	Breach Policy agreed in July 2019
					• Process to enact a Data Improvement Plan and report breaches, if required	Scheme Manager	As Required	Jul-24	
OPS2	Administration process failure / maladministration	4	8	32	Normal SLA in place with third party administrator and monitoring arrangements assessed as adequate	Scheme Manager	Monthly	Jul-24	Quarterly meetings attended by Pensions Manager
					• Quarterly client meetings and monthly reports including KPIs	Scheme Manager	Ongoing	Jul-24	
					• Ongoing dialogue between Scheme Manager and third party administrator, including process improvement plans	Scheme Manager	Annual	Jul-24	
					• Clear identification of roles, authority levels, data security and data protection processes	Scheme Manager	Annual	Jul-24	Monthly report received from WYFF
					• Audit reporting on both third party administrator and Scheme Manager's processes	Scheme Manager	Annual	Jul-24	
OPS3	Inadequate, late or inaccurate communications	5	7	35	• Disaster Recovery Plans up to date and appropriate	Scheme Manager	Annual	Jul-24	
					• Ability to commission independent assurance report, if required	Scheme Manager	As Required	Jul-24	
					Communication requirements fully understood and The Pensions Regulator's recommendations applied	Scheme Manager	Annual	Jul-24	
					• Communications provided under SLA fully understood and deemed adequate for basic requirements	Scheme Manager	Ongoing	Jul-24	
					• Ad hoc communications provided by LGA Pensions Adviser monitored, fully understood and tailored as necessary	Scheme Manager	Annual	TBC	To be developed
OPS4	Operational disaster	1	6	6	Develop Communications Strategy and keep under review	Scheme Manager	Annual	TBC	
					Business continuity procedures in place	Scheme Manager	Annual	As per internal audit cycle	
					• Third party scheme administrator Disaster Recovery Plan up to date and appropriate	Scheme Manager	Annual	As per internal audit cycle	
					• Scheme Manager Disaster Recovery Plan up to date and appropriate	Scheme Manager	Annual	As per internal audit cycle	
					• Contracts and other essential documents recorded on a central database	Scheme Manager	Annual	As per internal audit cycle	
Risk Reference	Risk Area 3 - Financial	Likelihood (1:least likely, 10:most likely)	Impact (1:least impact, 10:highest)	Score (likelihood x impact)	Main Control/Specific Risk Reduction Actions	Owner	Test	Next review	Comment
FIN1	Excessive charges by suppliers/additional liabilities on the operating budget	3	2	6	Regular checks of transactions and charges against contract terms/ robust methodology used to forecast pension accounting data	Scheme Manager	Quarterly	Jul-24	
					• Annual review of scheme budget, quarterly review of cost incurred against budget	Scheme Manager	Annual	Jul-24	
					• Periodic review of suppliers	Scheme Manager	Annual	Jul-24	
					• Processes in place to ensure robustness of method to forecast and calculate pension accounting data. Liaise with third party administrator when making forecasting assumptions	Scheme Manager	Annual	Jul-24	
					Budget monitoring and appropriate payment processes including use of authorised signatories and data validation	Scheme Manager	Monthly	Jul-24	
FIN2	Fraud/Fraudulent behaviour	1	10	10	• Monitor incoming and outgoing scheme funds and membership movements against scheme forecasts - reconcile actual transactions against forecasts	Scheme Manager	Ongoing	As per internal audit cycle	
					• Authorisation of transactions in accordance with audit requirements and carried out by authorised signatories only	Administrator/Scheme Manager	Ongoing	As per internal audit cycle	
					• Robust data validation processes in place by third party administrator and Scheme Manager to ensure all transactions authentic	Scheme Manager	Annual	As per internal audit cycle	
					• Audit reporting on both third party administrator and Scheme Manager's processes	Scheme Manager	Annual	As per internal audit cycle	
Risk Reference	Risk Area 4 - Funding	Likelihood (1:least likely, 10:most likely)	Impact (1:least impact, 10:highest)	Score (likelihood x impact)	Main Control/Specific Risk Reduction Actions	Owner	Test	Next review	Comment
FUN1	Employer failure to pay correct contributions into scheme	1	10	10	Contribution deductions and payments - monthly reconciliation of schedule of payments due and amount paid across	Scheme Manager	Ongoing	As per internal audit cycle	
					• Processes in place to comply with regulatory requirements on contribution rates and pensionable pay definitions	Scheme Manager	Monthly	As per internal audit cycle	
					• Suitable reporting and reconciliation processes in place ahead of payment including checks on changes in contract and transition to 2015 Scheme	Scheme Manager	Monthly	As per internal audit cycle	

Annual Benefit Statement/Remediable Service Statement

There are two categories of member

Out of Scope for Age Discrimination Remedy

There are 7,718 active members across all 24 Fire Clients who are 'Out of Scope' for remedy.

So far, the Month 12 file has been completed for 19 clients and 6,158 ABS produced with 123 members blocked with outstanding queries. This means we have produced 98.04% for these 19 clients

Once the outstanding files are received from the remaining 5 clients we will deal with these as a matter of urgency and expect all statements for out of scope members will have been produced by 31 August 2024 deadline

In Scope of Age Discrimination Remedy

There are currently 6,770 active members 'In Scope' for remedy. This is 46.73% of the active membership.

As we have previously notified you WYPF made the decision to produce a combined ABS-RSS for these members but will be unable to meet the 31 August deadline for these members.

This was discussed in the Client Meeting of 17 April 2024 and further information given in the June Client Report.

Current estimate for distribution of ABS for scheme members in scope for remedy is 31 December 2024. WYPF will communicate with each of these scheme members and notify them they will not receive their ABS by 31 August 2024.

We are still working with the 31 December 2024 date but will provide you with updates if anything changes

We have produced a letter which we are sending at all affected members, and this was made available to your Strategic Directors on 11 July 2024, and we also announced this through Hot Topics on the same day. WYPF have had no feedback about the letter.

Members should start to receive them from 22 July 2024.

We will be in contact just after 31 August 2024 once the deadline has passed for an in scope member to receive an ABS and one has not been produced. We will confirm that WYPF have reported this to TPR and outline the production plan in place.

Please be aware that once WYPF have everything internally to produce the ABS-RSS, it will not be possible to produce them if we do not have your completed Remedy Financial Data Extract and the completed GAD Contributions Adjustment Output data.

The GAD Contributions Adjustment Output data must be sent to WYPF on the WYPF template that has already been supplied to you.

Your 2024 Annual Benefit Statement and Remediable Service Statement

This letter is about your Annual Benefit Statement (ABS) and our ongoing efforts to ensure you receive accurate information regarding your pension benefits and Remedy. Usually we send statements by 31 August each year, unfortunately your annual benefit statement for 2024 will be delayed.

This is because you're 'in-scope' for Remedy. As well as including your Remediable Service Statement (RSS) your ABS needs to show you your rolled back position. We are very sorry for the delay, which is because we have not yet received the administration system updates we need to produce these statements. However, we expect to be able to test the updates over the summer and we aim to produce your statement by 31 December 2024 if the updates are successful. Although we will miss our usual deadline for statements of 31 August, we still aim to comply with the statutory Remediable Service Statement deadline of 31 March 2025.

This combined ABS and RSS will provide you with details of the pension you are building up in the Firefighters' Pension Scheme 2015 as well as the rolled back position of the benefits you previously built up in your legacy scheme. For detailed information about all this, please see <https://fpsmember.org/remedy>

What if I'm planning to retire soon?

We will make sure you receive an accurate calculation of your benefits and your Remedy options in your retirement pack. This is unaffected by the delay to statements.

Can I still get a retirement estimate?

You can still ask for an estimate if you're retiring in the next year, but please don't ask for one for a later date / beyond 12 months as we're not currently able to provide these.

What should I do now?

You don't need to do anything now. We'll produce your statement as soon as we can once our systems have been updated by our software provider. We're working with them to make this happen in the shortest possible time.

We're also committed to keeping you and your FRA updated about the production of Remediable Service Statements. Keep an eye out for further updates from us on our website, or from your FRA. And for more information you can also visit the national LGA Remedy page on <https://fpsmember.org/remedy>

Yours sincerely

West Yorkshire Pension Fund Contact Centre

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Agenda item: 11

Pensions Ombudsman Update

Local Pension Board

Date: 02/08/2024

Submitted by: Director of People and Culture

Purpose: To present members with information on recent Pensions Ombudsman rulings related to the Firefighters' Pension Scheme and other relevant schemes.

Recommendations: That the report is noted

Summary: It is a requirement of the Public Service Pensions Act 2013, and subsequent 2015 regulations, for members of a Local Pension Board to have a knowledge and understanding of the law relating to pensions and such other matters.

It is advised by the Local Government Association that, to secure compliance with the legislation relating to the governance and administration of the Firefighter Pension Schemes, members should review Pensions Ombudsman cases.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
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01274 682311 ext. 680157

Background papers open to inspection: None

Annexes: PO Decision CAS-61348-B1V7

1. Introduction

- 1.1 It is a requirement under the Public Service Pensions Act regulations that members of a Local Pension Board had a knowledge and understanding of the governance and administration of the relevant pension schemes.
- 1.2 Updates have been provided on 1 Pensions Ombudsman decision (see **Annex A**) that was published in the period 1 January 2024 to 30 June 2024.

2. Information

- 2.1 The complaint relates to automatic enrolment into a pension scheme. Firefighters have the right to join the 2015 Scheme from their employment start date and FRSs will generally include details of this in a prospective employee's contract.
- 2.2 Mr N complained that his employer provided inadequate information at the time he was enrolled into the scheme, which resulted in him missing the chance to opt out and receive a refund of contributions.
- 2.3 Essex FRS had provided Mr N with a Statement of Conditions that informed him that he would be automatically enrolled into the pension scheme. It also informed him about the process for opting out. Mr N signed the document to say he had read and understood the conditions and returned it a month prior to his start date.
- 2.4 Mr N opted out of the scheme four months after joining, which meant it was too late to receive a refund. He then submitted an appeal under the IDRPs stating that he did not realise contributions were being paid. He said that he did not have access to email whilst on a residential course so could not view his payslips and see contributions being deducted, and that the unavailability of a refund would cause him financial hardship.
- 2.5 Essex FRS responded saying that the pension regulations did not allow a refund where an employee opts out three months after joining and pointed to the section in Mr N's signed Statement of Conditions.
- 2.6 The Pensions Ombudsman agreed that Essex FRS had provided Mr N with sufficient information in his Statement of Conditions for him to have been able to make an informed choice on whether to opt out within the three-month period.
- 2.7 This case highlights the importance of providing the statutory information to new employees about their automatic enrolment and right to opt out in a clear and timely manner. WYFRS includes similar wording in whole-time firefighter employment contracts to that mentioned above. In addition, the new scheme member receives a welcome pack from WYPF around a month after joining that provides information about the scheme, including details on opting out.

- 2.8 WYFRS trainees are provided access to their email accounts shortly after joining and so they can view their payslips and any deductions from their pay.

3. Financial Implications

- 3.1 There are no financial implications arising directly from this report.

4. Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

- 5.1 There are no HR and or Diversity implications arising directly from this report.

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

- 7.1 There are no health, safety and wellbeing implications arising directly from this report.

8. Environmental Implications

- 8.1 There are no environmental implications arising directly from this report.

9. Your Fire and Rescue Service Priorities

- 9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- Provide ethical governance and value for money.

10. Conclusions

- 10.1 This report is for information only.

Ombudsman's Determination

Applicant	Mr N
Scheme	Firefighters' Pension Scheme 2015 (the Scheme)
Respondent	Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (the Authority)

Outcome

1. I do not uphold Mr N's complaint and no further action is required by the Authority.

Complaint summary

2. Mr N has complained that the Authority, his employer, provided inadequate information at the time he was enrolled into the Scheme, causing him to miss the opportunity to opt out and claim a refund of contributions.

Background information, including submissions from the parties

3. Section 3(2) of the Pensions Act 2008 (**the 2008 Act**), provides that: "The employer must make prescribed arrangements by which the jobholder becomes an active member of an automatic enrolment scheme with effect from the automatic enrolment date."
4. To qualify for a pension under the 2008 Act, eligible jobholders are defined as workers who meet the following criteria:-
 - Aged between 22 years old and the state pension age.
 - Receiving wages in excess of £10,000 a year.
 - Working in the UK.
5. The Firefighters' Pension Scheme (England) Regulations 2014 (**the 2014 Regulations**) govern the Scheme. Regulation 15 and Regulation 16 stipulate that:

"Opting out before the end of the first three months"

15.-(1) This regulation applies if a person (P) opts out of this scheme in relation to a continuous period of service in scheme employment—

- (a) before the end of three months after P's first day of a continuous period of service in scheme employment; or
- (b) before the end of three months after the automatic re-enrolment date.
- (2) If paragraph (1)(a) applies, P is taken never to have been in pensionable service under this scheme in relation to that continuous period of service in scheme employment.
- (3) If paragraph (1)(b) applies, P is taken not to have been in pensionable service under this scheme in relation to that period of service during the period referred to in paragraph (1)(b).

[...]

Opting out after the first three months

16.-(1) This regulation applies if a person (P) opts out of this scheme in relation to a continuous period of service in scheme employment—

- (a) three months or more after P's first day of a continuous period of service in scheme employment; or
- (b) three months or more after P's automatic re-enrolment date.
- (2) If P exercises the option under paragraph (1)(a) or (b), P ceases to be in pensionable service under this scheme in relation to that continuous period of service in scheme employment—
 - (a) on the first day of the first pay period beginning on or after the date on which the option is exercised; or
 - (b) if the scheme manager considers that day inappropriate, on the first day of any later pay period the scheme manager considers appropriate.”

- 6. The Pensions Regulator's guidance on information that an employer should provide to workers who have been automatically enrolled to a pension scheme includes, “For jobholders being automatically enrolled, automatically re-enrolled or enrolled following opt-in, they must be given information about what it means for them and their right to opt out.”
- 7. Essex County Council is the Scheme's administrator (**the Administrator**) and the Authority is the Scheme's manager.
- 8. On 17 September 2019, the Authority wrote to Mr N offering him a role as a full-time trainee firefighter for an annual salary of £23,366. The Authority said that in order to accept the offer Mr N would need to read and sign parts I and II of the Statement of Conditions of Service (**the Statement of Conditions**) that was enclosed with the letter and return those documents.

9. Part I of the Statement of Conditions stated that Mr N's employment would commence on 23 October 2019. It also set out details including Mr N's "Terms and Conditions of Employment, Place of Work, Hours of Work, Salary and Holidays".
10. Under the heading 'Place of Work', the Statement of Conditions stated:-
- "You will initially be based at Fire Service College for 8 weeks residential course...Following the residential course you will be based at Service Training Centre Witham for a further 7 weeks non-residential course..."
11. Mr N was required to sign Section 18, which was headed "Acknowledgement of Receipt" if he wished to accept the job offer. It stated: "I have received a copy of this statement and have read and understood it..."
12. Part II of the Statement of Conditions set out details on subjects including "Training, Disciplinary Rules and Procedures, Grievance Procedures, Health and Safety, and Pension Schemes". Regarding 'Pension Schemes', Section 11 stated:

"As your appointment is a substantive contract, you will automatically become a member of [the Scheme] from the first day of work..."

Should you wish to opt out of [the Scheme], you must return a completed opt out form to the HR department as soon as possible. The opt out form is available under the Forms section of [the Administrator's] website or by contacting [the Administrator] [by telephone] or via [email]...Providing your opt out is received by the [Authority's] HR department within 3 months of the date of joining [the Scheme], you would be entitled to a refund of any contributions you have paid since that date.

[...]

For the 2019/2020 year, you will pay contributions based on your pensionable salary as follows:

Band	If your yearly pay is	You pay a contribution rate of:-
1 [...]"	Up to £27,818	11.0%

13. Section 20 of Part II of the Statement of Conditions was a signature section to be completed by Mr N if he accepted the job offer and to confirm he had read and understood these conditions.
14. On 18 September 2019, Mr N signed Part I and Part II of the Statement of Conditions and returned the documents to the Authority.
15. On 23 October 2019, Mr N commenced employment with the Authority.
16. On 17 February 2020, Mr N emailed the Authority and said that he would like to opt out of the Scheme and receive a refund of his own contributions. Mr N also said he

had previously thought that he was in continuous service via membership of a military pension scheme. However, after checking, he had recently established that this was not the case.

17. On 18 February 2020, the Authority emailed Mr N and confirmed that he could opt out of the Scheme but, as he had been automatically enrolled more than three months earlier, a refund of contributions would not be permitted. The Authority said that Mr N would, instead, qualify for deferred benefits from state pension age, should he elect to opt out of the Scheme. The Authority also provided a link to an opt out form that Mr N could use for this purpose via the Scheme's website.
18. On 20 February 2020, the Authority again emailed Mr N and said that a refund of contributions would not be permitted under the 2014 Regulations, since he had not elected to opt out of the Scheme within three months of joining.
19. On the same day Mr N emailed the Authority and said:-
 - Before establishing that he had been making contributions to the Scheme, he had thought that his pay was lower than his expected salary due to incorrect tax being deducted. On that basis he had expected a tax rebate.
 - He had no access to any payslips, having been required to attend training upon commencement of his employment with the Authority. So, he had only recently been able to check the details of any deductions from his salary.
 - Contributions of over £200 a month were deducted from his salary without being informed beforehand that this would be the case. If those contributions were not refunded, he would suffer financial hardship.
20. On 28 February 2020, Mr N emailed the Authority and said he had sent a completed opt out form by first class post on 26 February 2020. He would like confirmation of it being received.
21. On the same day the Authority emailed Mr N and confirmed that the opt out form had been received.
22. On 18 March 2020, Mr N complained under stage one of the Scheme's Internal Dispute Resolution Procedure (**IDRP**) and said:-
 - Having commenced employment with the Authority on 23 October 2019, he was required to attend training courses and had no access to its systems and HR resources. At the time his payslips were only available to view online so he had no access to them either. So, he would not have been able to opt out of the Scheme before the three-month deadline, and he was initially unaware of contributions being deducted from his salary.
 - He had fully focussed on his training courses with no consideration for his pension entitlement under the Scheme. At the end of the training courses, he concentrated fully on some ongoing training. It was only on completion of all the necessary

training that he became aware of having joined the Scheme, and that he could elect to opt out.

- The deduction of contributions from his salary had a detrimental impact on his finances. He had previously received an email from His Majesty Revenue & Customs (**HMRC**) stating that his tax code had changed. He assumed that lower than expected pay was received due to this change in his taxes rather than pension contribution deductions.
- As a result of the reduced pay, he went into an overdraft with his bank to fund additional expenses, due to being an expectant father. This also meant that he was busy preparing for the birth, while assuming that a tax rebate would offset the additional expenses.

23. On 20 May 2020, the Authority wrote to Mr N in response and said:-

- He had opted out of the Scheme under Regulation 16 on 29 February 2020, having been automatically enrolled on 23 October 2019. Scheme Regulation 15 only applies when a member has opted out of the Scheme within the first three months of joining. In that case the member is treated as never having been in pensionable service and any contributions they have paid are refunded.
- His signed opt out form was received on 28 February 2020, four months after joining the Scheme. So, his election to opt out of the Scheme was subject to Regulation 16, which does not permit a refund of employee contributions. The Authority has applied that regulation correctly.
- HMRC could impose penalty tax charges on him and the Scheme if the Authority permitted a refund of contributions in breach of the 2014 Regulations. The statutory nature of the 2014 Regulations means that the Authority has no discretion to pay a refund of contributions in this case.
- The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 as amended by The Occupational and Personal Pension Schemes (Disclosure of Information) Amendment Regulations 2015 (**the Disclosure Regulations**), stipulates the information that pension scheme administrators must send to members and when.
- Under the Disclosure Regulations, information regarding a member's automatic enrolment must be sent to them within one month of the date on which the scheme manager has been informed that they have joined the scheme. This information must be sent to the member's last known postal address, or by sending it to their last known email address, or by making it available on a website.
- Appropriate information was provided in the Statement of Conditions. It confirmed his membership of the Scheme, the level of contributions he and the Authority would pay and the age at which he could retire. The Statement of Conditions also

confirmed the deadline and process for opting out of the Scheme. The Authority has complied with its obligations under the Disclosure Regulations in that regard.

24. On 11 June 2020, Mr N appealed under stage two of the IDRPs and said:-

- He accepted that under the 2014 Regulations, the Authority was unable to refund his employee contributions as his opt out form was received after the three-month deadline.
- The Pensions Regulator's detailed guidance for employers on the information to be provided to automatically enrolled employees includes the start and end date of the opt out period and a statement confirming what opting out means. Confirmation should also be provided that an eligible jobholder will be treated as not having become an active member, had they elected to leave the scheme within the opt out period.
- The Statement of Conditions stated, "Should you wish to opt-out of the [Scheme], you must return a completed opt out form...as soon as possible." It also confirmed that an opt out form could be obtained via the Administrator's website, or by contacting the Administrator by email or telephone. There was no additional or explanatory information as to what opting out meant.
- The Pensions Regulator's guidance on information that an employer should provide to automatically enrolled employees also includes, "Giving' information does not include merely signposting to an internet or intranet site, attaching a URL or displaying a poster in the workplace. In these circumstances the employer is providing the worker access to the information but not giving the actual information to the worker."
- There was a lack of detailed information in the Statement of Conditions regarding the Scheme. For example, it included no details on whether the Scheme is a defined benefit or defined contribution arrangement, the relevant accrual rates, or lump sum commutation rates upon retirement, early retirement penalties, ill-health retirement, spouse's pension and death in service payments.
- According to the Pensions Regulator, this type of information 'should have been provided within one month of him joining the Scheme'. He contacted the Authority more than three months after joining the Scheme, and at the time had not received the previously specified information. So, the Authority had failed in its responsibility to provide adequate information.

25. On 1 October 2020, the Authority wrote to Mr N in response and reiterated the information previously provided in the letter of 20 May 2020. The Authority also confirmed that the complaint had not been upheld.

Adjudicator's Opinion

26. Mr N's complaint was considered by one of our Adjudicators who concluded that no further action was required by the Authority. The Adjudicator's findings are summarised below:-

- The Authority is required to act in accordance with the provisions of the 2008 Act and the 2014 Regulations. Having assessed Mr N as meeting the criteria of an eligible jobholder, the Authority was required to automatically enrol him into the Scheme. There was no requirement under the 2008 Act for the Authority to seek Mr N's approval before doing so.
- It was for Mr N to opt out of the Scheme if he was unhappy with the conditions of his membership. Scheme Regulation 15 provides that a member who elects to opt out of the Scheme within three months of their automatic enrolment date is deemed to never have been in pensionable service. In that case a refund of contributions is permitted.
- The Statement of Conditions confirmed that Mr N's employment would commence on 23 October 2019 and that he would be automatically enrolled into the Scheme on the same date. An explanation of the rate of contributions that would be deducted and how Mr N could opt out of the Scheme was also included.
- The Authority said, "Providing your opt out is received...within 3 months of the date of joining [the Scheme], you would be entitled to a refund of any contributions you have paid since that date." On 18 September 2019, Mr N signed the Statement of Conditions confirming "I have received a copy of this statement and have read and understood it..."
- Mr N ought to have been aware that he needed to opt out of the Scheme, within three months of joining, in order to receive a refund of contributions. He should also have been aware of the date he had joined the Scheme.
- However, it was not until 17 February 2020 that Mr N said that he wished to opt out of the Scheme. His signed opt out form was then received by the Authority on 28 February 2020. By that time the three-month deadline had already passed, so, the Authority had correctly concluded that Mr N was not entitled to a refund of contributions under Regulation 15.
- Mr N ought to have been aware that contributions would be deducted from his salary as this information was included in the Statement of Conditions. Further, Mr N could have contacted the Authority before commencement of his employment on 23 October 2019, since he signed the Statement of Conditions on 18 September 2019. That left a five-week period during which Mr N could have opted out of the Scheme or sought further information, including clarification of the term 'opt out' if he was unclear on that point.

- The Pensions Regulator's guidance for employers includes that they must provide jobholders who are being automatically enrolled into a pension scheme with information about what this means for them, and their right to opt out of the pension schemes concerned. The Statement of Conditions complied with this guidance. In the Adjudicator's view there was no requirement for the Authority to send Mr N more detailed information regarding the Scheme at the time of his automatic enrolment unless he asked for it. Mr N had not provided evidence that he made any such enquiry.
 - The Statement of Conditions clearly provided important information that Mr N was required to read and understand before signing it. This included the date that he would join the Scheme, and that there was a three-month deadline to opt out of the Scheme for a refund of contributions. It was for Mr N to make any enquiries that he felt were necessary before that time expired.
 - The Authority cannot be held responsible if Mr N failed to do so, or for him not qualifying for a refund of contributions under Scheme Regulation 15. The Authority has correctly applied Scheme Regulation 16, which does not permit a refund of contributions when a member opts out of the Scheme more than three months after being automatically enrolled, as in Mr N's case.
27. The Authority accepted the Adjudicator's Opinion, but Mr N did not, and the complaint was passed to me to consider. Mr N has provided further comments, which I have considered, but they do not change the outcome, I agree with the Adjudicator's Opinion.

Mr N's additional comments

28. He could have made enquiries regarding automatic enrolment and his entitlement to opt out of the Scheme before the three-month deadline for a refund of contributions, but this was not possible due to the training he was required to attend at the time his employment with the Authority commenced.
29. The information concerning the Scheme, which was included in the Statement of Conditions, was insufficient to conform with The Pensions Regulator's guidance on information to be provided when a member has been automatically enrolled into a pension scheme. This information was amongst over 30 other sections that the Statement of Conditions covered.
30. There was no further Scheme information attached to the Statement of Conditions. The Pension Regulator has written a sample letter, which was designed to provide members with appropriate pension scheme details. The Authority ought to have provided him with a letter following that example.

Ombudsman's decision

31. Mr N contends that the training he was required to complete at the time his employment with the Authority commenced, prevented him from considering his pension before the three-month deadline to opt out of the Scheme had elapsed. This was necessary in order to be eligible for a refund of contributions. Mr N submits that he was also unaware that contributions would be deducted from his salary. He thought he was receiving a lower salary than expected because of possible changes to his tax code.
32. I note that Mr N signed the Statement of Conditions, to confirm he had read and understood it, on 18 September 2019. The onus was on Mr N to consider whether he was happy to do so at the time. His employment with the Authority was not due to commence until 23 October 2019. So, Mr N could have used the time to read the Statement of Conditions diligently, or to make further enquiries regarding his pension before the training commenced.
33. I find that the Statement of Conditions made it clear that Mr N was to be automatically enrolled into the Scheme. It also provided details of the date he would become a member of the Scheme, how he could opt out of the Scheme, and the contribution rate that would be applicable. Having signed the Statement of Conditions, Mr N ought to have been aware of this information. I find that the information included in the Statement of Conditions was sufficient to comply with the mandatory requirements, as set out on The Pensions Regulator's website.
34. A letter template for employers to use when writing to employees who are being automatically enrolled is available via The Pensions Regulator's website. However, the Authority is not required to use that template so long as the information, referred to in paragraph 33 above, is provided. I find that there was no requirement for the Authority to attach further details in addition to the Statement of Conditions.
35. The Authority has correctly concluded that Mr N is not entitled to a refund of contributions in accordance with Regulation 16 of the 2014 Regulations, since he did not submit an opt out form until 28 February 2020. By that date the three-month deadline had already passed. There is also no evidence of a financial loss to Mr N as the Authority has confirmed that he will be entitled to his deferred benefits from the Scheme at state pension age.
36. I do not uphold Mr N's complaint.

Anthony Arter CBE

Deputy Pensions Ombudsman
18 January 2024

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Agenda item: 12

Legislative Update

Local Pension Board

Date: 02/08/2024

Submitted by: Director of People and Culture

Purpose: To provide a legislative update to Members on matters related to the Firefighters' Pension Scheme

Recommendations: That the report be noted.

Summary: It is a requirement of the Public Service Pensions Act 2013 and subsequent 2015 Scheme regulations, for members of a Local Pension Board to have a knowledge and understanding of the law relating to pensions and such other matters. This report provides an update on the latest relevant legislative issues.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
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Background papers open to inspection: None

Annexes: None

1. Introduction

- 1.1 It is a requirement under the Public Service Pensions Act regulations that Members of a Local Pension Board have a knowledge and understanding of the governance and administration of the relevant pension schemes.
- 1.2 In accordance with this requirement an update has been provided on the following legislative issues:
 - Abolition of the Lifetime Allowance
 - Pension Dashboards
 - TPR's General Code of Practice
- 1.3 Updates on the two pension remedies have been provided in separate dedicated reports.

2. Information

2.1 Abolition of the Lifetime Allowance

- 2.1.1 Further to the update provided at the previous meeting, the Lifetime Allowance was abolished from 6 April 2024.
- 2.1.2 The Lifetime Allowance has been replaced by two new allowances that limit the amount of tax-free lump sums that can be paid in respect of an individual's pensions.
- 2.1.3 The Lump Sum Allowance is **£268,275** and limits the amount of tax-free lump sum that a member can receive when they take their pension to the **lower** of this figure or 25% of the value of their benefits.
- 2.1.4 Where an FPS 1992 member chooses to commute 25% of their pension and the commutation factor exceeds 20, an unauthorised payment charge will still arise in these circumstances because the lump sum will remain higher than what HMRC class as 25% of the value of their benefits.
- 2.1.5 The Lump Sum and Death Benefit Allowance is £1,073,100 and limits the amount of tax-free lump sums that can be paid to and in respect of a member's pension, including serious ill-health lump sums and lump sum death benefits, as well as pension commencement lump sums discussed above.

2.2 Pensions Dashboards

- 2.2.1 The Department for Work and Pensions has released their [statutory guidance](#) for when schemes should connect to the dashboard ecosystem.
- 2.2.2 The 'connect by' date for public service pension schemes in the guidance is **31 October 2025**. Schemes must have regard to this guidance when deciding

when to connect to dashboards and not considering the guidance would constitute a breach of the law.

2.2.3 Our administrator, West Yorkshire Pension Fund (WYPF), will be responsible for connecting 20+ fire and rescue authorities, including WYFRS, as well as four local authority schemes to dashboards. WYPF have therefore started their preparations for connection, including appointing an Integrated Service Provider to manage the connection between their administration system and dashboards.

2.2.4 However, it remains the scheme manager's responsibility to ensure that they are ready to connect, and WYFRS will be seeking regular updates from WYPF as well as working with them to ensure that their data is ready.

2.3 TPR's General Code of Practice

2.3.1 The Pensions Regulator's (TPR) [General Code of Practice](#) was laid before Parliament on 10th January 2024 and came into force on 28th March 2024. The new code updates and combines the previous codes of practice and sets out TPR's expectations of the conduct and practice of governing bodies in complying with pensions legislation.

2.3.2 The governing body for public service pension schemes is the scheme manager, but the code also includes expectations relating to local pension boards, such as ensuring that they have the required skills, knowledge, and experience to assist in running the scheme. Other topics covered include managing risks, operating internal controls, and reporting breaches of the law.

2.4 Other Updates

2.4.1 [The Firefighters' Pension Scheme \(England\) \(Amendment\) Regulations 2024](#) came into force on 27 March 2024. These update the regulations following the Carer's Leave Act 2023 and allow for unpaid carer's leave to be included in the calculation of pensionable service and pensionable pay, should the member elect to pay the member contributions that would otherwise have been due.

2.4.2 The regulations also correct the CARE revaluation error that occurred in the 2021 and 2022 [revaluation](#) orders so that the correct average weekly earnings figure is used. WYPF have updated their record to show the correct level of revaluation, and this will be reflected in the 2024 annual benefit statements.

2.4.3 [The Pensions Increase \(Review\) \(No. 2\) Order 2024](#) increases public service pensions that are deferred and in payment by **6.7%** on 8 April 2024. This is in line with the September 2023 annual increase in CPI.

2.4.4 [The Public Service Pensions Revaluation Order 2024](#) increases CARE pensions for active members of the FPS 2015 by **7.7%** on 1 April 2024. This is in line with the annual change in average weekly earnings in September 2023.

2.5 Other Statutory Instruments

- 2.5.1 [The Police and Firefighters' Pensions \(Remediable Service\) \(Amendment\) Regulations 2024](#) – correct minor errors in the drafting of the remedy regulations
- 2.5.2 [The Pensions Act 2004 \(Codes of Practice\) \(Revocation\) Order 2024](#) – revokes the existing TPT codes of practice following the coming into force of the General Code of Practice

3. Financial Implications

- 3.1 There are no financial implications arising directly from this report.

4. Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

- 5.1 There are no HR and or Diversity implications arising directly from this report.

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

- 7.1 There are no health, safety and wellbeing implications arising directly from this report.

8. Environmental Implications

- 8.1 There are no environmental implications arising directly from this report.

9. Your Fire and Rescue Service Priorities

- 9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:
- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
 - Provide ethical governance and value for money.

10. Conclusions

10.1 This report is for information only.

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Agenda item: 13

Age Discrimination Remedy

Local Pension Board

Date:	02/08/2024
Submitted by:	Director of People and Culture
Purpose:	To provide an update to members on the implementation of the age discrimination remedy.
Recommendations:	That the report be noted.
Summary:	It is one of the requirements of the Local Pension Board that Members scrutinise areas relevant to the administration of the Firefighters' Pension Scheme.

Local Government (Access to information) Act 1972

Exemption Category:	None
Contact Officer:	James Clarkson – Pensions Manager James.Clarkson@westyorkshire.gov.uk 01274 682311 ext. 680157
Background papers open to inspection:	None
Annexes:	Immediate Choice – IC-RSS Timetable IC-RSS Delay Mailing Compensation Log

1. Introduction

- 1.1 Local Pension Boards are required to assist the Scheme Manager in securing compliance with the regulations that govern the Firefighters' Pension Scheme.
- 1.2 In accordance with this requirement, an update has been provided on the implementation of the legislation that provides for the age discrimination remedy.

2. Information

2.1 Immediate Choice Members (Retirements before 1 October 2023)

- 2.1.1 It was expected that Immediate Choice Remediable Service Statements (RSS), which provide members who retired prior to 1 October 2023 with their remedy options, would start to be issued in early-2024. The initial indicative timetable (see **Annex A**) provided for ill-health cases to receive their RSS by 31 March 2024 and for unprotected and taper protected 1992 Scheme cases to receive their RSS by 30 November 2024.
- 2.1.2 Unfortunately, the RSS rollout was paused in late-January 2024 due to an issue identified during discussions with LGA and HMRC that related to the tax treatment of the 8% interest payments that members are due on any top-up lump sums and pension arrears. This issue was not resolved until HMRC issued [Pension Schemes Newsletter 159](#) on 25 April 2024, which updated guidance previously issued.
- 2.1.3 A further issue was then identified by LGA and HMRC that relates to unauthorised payments, which arise when a firefighter commutes a lump sum from their pension that exceeds what HMRC class as the maximum tax-free lump sum. 28 out of 36 WYFRS cases took the maximum lump sum and paid an unauthorised payment charge via a deduction from their lump sum.
- 2.1.4 The tax regulations do not provide for a new unauthorised payment charge, which will occur when someone selects their remedy option, to be offset against a previously paid charge. There is also no process for a charge that was deducted from their initial lump sum to be reclaimed. As it stands, therefore, an immediate choice member would be required to pay any charge in full.
- 2.1.5 HM Treasury have advised that new tax regulations are required to enable new charges to be offset against previous charges, but these are unlikely to be able to be made before 2025. In the meantime, a Written Ministerial Statement (WMS) is expected to be made, advised that the changes will be made, which may allow affected schemes to process cases before they come into effect. This has been delayed due to the pre-election period, but the LGA, NFCC and trade unions are preparing to write to the new ministers once they are in post to stress the urgency of the WMS.

2.1.6 WYFRS wrote to affected members to inform them about the situation in June 2024 (see **Annex B**).

2.2 Deferred Choice Members (Retirements from 1 October 2023)

2.2.1 WYFRS continue to process new retirements in line with the new remedy regulations and all members have been provided with their remedy options around four weeks before their leaving date to allow them to make an informed choice and be paid their benefits shortly after they leave.

2.2.2 The remaining active and deferred members who are eligible for remedy are required to be sent an RSS on or before 31 March 2025. This will be combined with their 2024 annual benefit statement (ABS).

2.3 Contribution Adjustments

2.3.1 A Contribution Adjustment is where the member contributions that are due during the remedy period (1 April 2015 to 31 March 2022) change because of the member being rolled back into their legacy scheme (1992 Scheme or 2006 Scheme). An adjustment may also occur depending on the member's choice of benefits for remedy. These are shown on each member's RSS.

2.3.2 WYFRS have now extracted all the contributions and tax data from the payroll system for inputting into the calculator provided by the Government Actuary's Department to work out each employee's adjustment. Data has also been obtained from other FRSs for employees who transferred to WYFRS during the remedy period. WYFRS have tested this data using the calculator to validate the data quality and the outputs the calculator provides, and we are satisfied that the results are correct. Once WYPF request the calculator outputs for production of the RSSs, WYFRS will therefore be able to provide this information without delay.

2.4 Ill-Health Reassessments

2.4.1 The remedy regulations require FRAs to reassess the ill-health applications for individuals who retired under the 1992 Scheme or 2006 Special Scheme from 1 April 2015. This is because they are entitled to a choice of whether their current legacy scheme or the 2015 Scheme should apply for their remedy period service.

2.4.2 To perform a reassessment, WYFRS wrote to 15 affected ill-health pensioners to request their consent to reassess their case on 15 August 2023, followed by a reminder letter on 16 October 2023. The current situation is as follows.

Consent received, awaiting GP records	4
Cases with IQMP	3

Cases decided – eligible for IHR under FPS 2015	5
Cases decided – not eligible for IHR under FPS 2015	1
Consent not received	2

2.5 Contingent Decisions

- 2.5.1 The firefighter remedy regulations provide for some decisions made by members during the remedy period to be revisited. This includes decisions to opt out of the pension scheme and whether a firefighter would have purchased additional years in their legacy scheme had they been allowed to remain in it.
- 2.5.2 WYFRS used payroll information to identify individuals who may be interested in making an opt-out claim and wrote to them with the LGA guide to contingent decisions and claim form in April 2024. An article was also placed in Burning Issues to alert other potential interested parties.
- 2.5.3 On receipt of a claim form, the scheme manager is required to assess the claim and decide whether to accept it. The scheme manager must be satisfied that the member would have made a different decision were it not for the discrimination by examining evidence provided by the individual. For opt-outs, the scheme manager cannot reject a claim if the individual opted out during the remedy period or within the period six months prior to their original 2015 Scheme transition date.
- 2.5.4 WYFRS has received **21** contingent decision opt-out claims, and these have all been accepted. **2** of these claims were not within the automatic acceptance criteria outlined above but were accepted based on the additional submissions made by the individuals.
- 2.5.5 WYFRS has received **1** contingent decision additional years claim. This has been rejected as the individual was unable to provide evidence that they would have purchased these had they been able to remain in their legacy scheme.

2.6 Compensation

- 2.6.1 The LGA released their [guidance for scheme managers](#) relating to compensation under the remedy.
- 2.6.2 Members can apply for compensation if they can show that they have suffered a financial loss because of the discrimination identified in the scheme or through the implementation of the remedy.
- 2.6.3 Most cases will be ‘automatic’ compensation, which is where a member does not have to make a formal application. This includes where someone has

overpaid their pension contributions because of remedy or where a non-active member has underpaid their pension contributions and requires a compensation deduction for the tax relief they would have received on those contributions.

- 2.6.4 For non-automatic compensation, the member is required to demonstrate a loss to the scheme manager, who will decide whether to pay compensation and the amount to pay.
- 2.6.5 Excluding compensation for tax relief in respect of contributions owed by members, WYFRS have so far paid **1** compensation payment for a member who overpaid their contributions because of the remedy. A copy of the log can be found at **Annex C**.

3. Financial Implications

- 3.1 There are no financial implications arising directly from this report. The government is funding the immediate cost of implementing the remedy, including back payments to pensioners and compensation, via the AME process.

4. Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

- 5.1 There are no HR and or Diversity implications arising directly from this report.

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

- 7.1 There are no health, safety and wellbeing implications arising directly from this report.

8. Environmental Implications

- 8.1 There are no environmental implications arising directly from this report.

9. Your Fire and Rescue Service Priorities

- 9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- Provide ethical governance and value for money.

10. Conclusions

10.1 This report is for information only.



IC cohort timetabling

October 2023 to March 2024 (Priority)

- Ill-health retirements (including re-assessments)
- Death in service beneficiaries

October 2023 to May 2024

- Ill-health retirement beneficiaries
- Unprotected and taper protected beneficiaries

October 2023 to November 2024 (Largest cohort)

- Unprotected and taper protected pensioners

January 2024 to July 2024

- Contingent decision (opt out)



IC cohort timetabling contd.

May 2024 to January 2025

- Protected FPS 2006 pensioners*
- *N.B: May be more likely to elect for new scheme

August 2024 to March 2025

- Protected beneficiaries (FPS 1992* and FPS 2006)
- *N.B: FPS 2015 may provide better family benefits

October 2024 to March 2025 (less likely to elect for new scheme)

- Protected FPS 1992 pensioners

Human Resources, Oakroyd Hall,
Bradford Road, Birkenshaw
West Yorkshire, BD11 2DY

«AddressBlock»

Tel: 01274 682311

Email: pensions@westyorksfire.gov.uk

Our Ref: «PAYROLL_NO»

Pension Ref: «FOLDERREF»

14 June 2024

Dear «Forename»

Firefighters' Pension Schemes – Age Discrimination Retrospective Remedy

In 2015, new laws introduced a new scheme for firefighters - the Firefighters' Pension Scheme 2015 (FPS 2015). These laws included protections which meant that some members of the legacy schemes (FPS 1992 and FPS 2006) didn't join FPS 2015 either straight away or at all, depending on their age. After a legal challenge, the courts determined that these protections were age discriminatory.

Following consultation, the Public Service Pensions and Judicial Offices Act 2022 came into force on 1 April 2022 to remedy the discrimination.

Our pension administrators, West Yorkshire Pension Fund, wrote to you in September 2023 informing you that information will be made available to you about your benefit options, through a Remediable Service Statement (RSS) for the remedy period. The letter confirmed that your RSS will be sent to you between October 2023 and November 2024.

We are writing to you today to firstly apologise for the protracted delay in sending your RSS. Even though we are still within the timeframe we originally suggested, we do acknowledge that you would have liked this issue to have been resolved as soon as possible after 1 October 2023. Unfortunately, we have been navigating several policy issues on the application of tax and interest which have been outside our control. Some of these issues have now been clarified, however, there is still one ongoing matter which affects your case and prevents us, at this stage, from providing you with your RSS.

The issue relates to the calculation required for top-up lump sums and the offsetting of previous tax paid to HM Revenue & Customs (HMRC). It has been confirmed that our understanding of how you would offset the original unauthorised payment made to HMRC does not align with current HMRC policy. Currently there is no provision within HMRC legislation that allows an offset approach for individuals who have made an unauthorised payment through the mandating process (which you did when you originally retired). This position, if left without a solution, will mean that you become liable for more tax which is

not currently reclaimable either via HMRC or the compensation mechanism in the Public Service Pensions and Judicial Offices Act 2022.

Our colleagues at the Local Government Association (LGA) have been liaising with HM Treasury (HMT) and HMRC on this matter and there is an agreement in principle from all parties to put in place a resolution to address this. It is likely that any resolution will need new legislation which will take time. In the interim, LGA colleagues are in discussions with HMT to establish whether there could be formal assurances issued from central government which will allow us to proceed ahead of any legislation coming into force. These discussions are progressing well, however, as we have now entered the pre-General Election period it is unlikely that anything official will materialise before 5 July 2024 (and it could be sometime thereafter).

We appreciate that this news will come as a disappointment and apologise for the distress and inconvenience caused. You have our commitment that we will closely monitor the situation and ensure that you are kept up to date as things progress.

Information about the Firefighters' Pension Schemes, the 2015 age discrimination remedy, can be found at <https://fpsmember.org/>.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Pawson', is displayed within a white rectangular box.

Sonia Pawson
Director of People and Culture

Compensation Type	Date Paid	Amount	Comment
Refund of overpaid contributions	11/03/2024	£4,666.36	Opted for new scheme benefits on retirement, compensation for overpaid contributions

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Agenda item: 14

Matthews Remedy Update

Local Pension Board

Date: 02/08/2024

Submitted by: Director of People and Culture

Purpose: To provide an update to members on the implementation of the Matthews remedy.

Recommendations: That the report is noted

Summary: It is one of the requirements of the Local Pension Board that Members scrutinise areas relevant to the administration of the Firefighters' Pension Scheme.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
James.Clarkson@westyorksfire.gov.uk
01274 682311 ext. 680157

Background papers open to inspection: None

Annexes: Current Position

1. Introduction

- 1.1 Local Pension Boards are required to assist the Scheme Manager in securing compliance with the regulations that govern the Firefighters' Pension Scheme.
- 1.2 In accordance with this requirement, this paper provides members with an update on the latest activity regarding the implementation of the second pension options exercise for current and former retained firefighters, following the coming into force of the legislation on 1st October 2023. The exercise will allow in-scope individuals to purchase pensionable service in the FPS 2006 as a Special Member. This scheme provides comparable benefits to the FPS 1992.

2. Information

2.1 Current Position

- 2.1.1 A table summarising the current position of the project can be found in Annex A.
- 2.1.2 Following the implementation of a trace via the DWP, WYFRS now have up-to-date contact information for 223 individuals, an increase from the 176 noted in the last meeting. 218 have been sent Expression of Interest letters and the remainder are due to be sent shortly.
- 2.1.3 Most individuals who have expressed an interest have been sent a statement of pensionable service (131/153), and 72 individuals have made an election to either join the FPS 2006 for Special Members for the first time or purchase additional service following their election in the 2014 exercise.
- 2.1.4 WYPF recently sent instructions to their FRS clients for sending election information to them and, as the table shows, we have begun sending these. Older Special Pensioner Members who are owed backdated payments are being prioritised.

2.2 Tax Issues

- 2.2.1 Several tax issues have been identified with the payment of Special Pensioner Member benefits.
- 2.2.2 Arrears of pension will likely be paid, and taxed as income, in the 2024/25 tax year. Given that this payment will include arrears that are backdated to as far back as 2000 for some members, this could have the effect of pushing some pensioners into a higher tax band than would otherwise have been the case. The LGA are in discussions with HMRC on whether there is an appropriate mechanism whereby the arrears can be spread over previous tax years and affected members have been informed of this.

- 2.2.3 Interest is payable to members on the arrears of pension and additional lump sum they are entitled to. HMRC has confirmed that this should be taxed in the same way that interest is taxed on savings. For example, a basic rate taxpayer can earn £1,000 of interest before paying tax on it. Again, the LGA are liaising with HMRC on how members should notify HMRC of any tax which is due.
- 2.2.4 For Special Pensioner Members who have already received a lump sum in respect of their 2014 election, many will be due a top-up lump sum in respect of the additional service they can purchase. The LGA have asked HMRC to provide clarity on whether the additional lump sum is deemed 'authorised' and therefore paid without the need to deduct tax or whether it is 'unauthorised' and will result in the additional lump sum being subject to 40% tax and a Scheme Sanction Charge of 15% passed onto the FRS. Unfortunately, this means that we cannot currently instruct WYPF to make payment to this cohort of Special Pensioner Members. A holding letter has been sent to them to inform them of the reasons for the delay.

2.3 Death Grant Cases

- 2.3.1 WYFRS is yet to write out to potential beneficiaries of the additional Death Grants, due to prioritising member elections. However, we expect to start processing these cases in the latter half of 2024

2.4 Further Policy Considerations

- 2.4.1 As a result of feedback from the LGA, the Home Office is considering some policy changes, including:
- Whether individuals who could have received pension payments but died before having the opportunity to make an election in the 2014 and 2023 exercises should have pension payments made to their estate.
 - Whether survivor benefits should be paid in respect of individuals who did not join during the 2014 exercise and died before having the opportunity to make an election for the 2023 exercise.
 - Whether individuals who have a deferred pension in respect of the standard 2006 Scheme should have the opportunity to convert it to special service
 - Whether individuals who opted out of the standard 2006 Scheme should have the opportunity to buy their opted-out service.
- 2.4.2 It is not known whether any of the above will ultimately be implemented and this may result in cases having to be revisited.
- 2.4.3 Considering the above, and the difficulties some FRSs are experiencing in implementing the Matthews Remedy due to the number of cases they are dealing with, the Home Office is considering extending the implementation deadline until after 31 March 2025. However, this may only cover exceptional

cases and FRSs are expected to process most cases in line with the original deadline.

3. Financial Implications

- 3.1 There are no financial implications arising directly from this report. Funding for immediate back payments of lump sums and pensions will be made available from the government via the AME process.

4. Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

- 5.1 There are no HR and or Diversity implications arising directly from this report.

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

- 7.1 There are no health, safety and wellbeing implications arising directly from this report.

8. Environmental Implications

- 8.1 There are no environmental implications arising directly from this report.

9. Your Fire and Rescue Service Priorities

- 9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- Provide ethical governance and value for money.

10. Conclusions

- 10.1 This report is for information only.

Individual located ie. have an address on record	Individual not located i.e. no address on record	Total number of cases which have been sent the initial expression of interest letter	Total number of individuals who have replied and expressed an interest	Total number of statements issued	Total Elections Received	Total number of cases passed to the administrator for implementation
223	19	218	153	131	72	10

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Agenda item: 15

West Yorkshire Pension Fund – Key Performance Indicators

Local Pension Board

Date: 02/08/2024

Submitted by: Director of People and Culture

Purpose: To inform members of West Yorkshire Pension Fund's performance in key areas for the periods 1 January 2024 to 30 June 2024.

Recommendations: That the report is noted

Summary: This report informs Members of the Authority's key areas against which West Yorkshire Pension Fund measure their level of service.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
James.Clarkson@westyorksfire.gov.uk
01274 682311 ext. 680157

Background papers open to inspection: None

Annexes: None

1. Introduction

1.1 The KPI report presents performance data from West Yorkshire Pension Fund in several key areas. Some of the areas included are as follows:

- Transfer in and out quotes
- Divorce quotes
- Pension estimates
- Deferred benefit set up
- Retirement quotes
- Retirement actuals
- Payroll changes
- Death notifications

2. Information

WORK TYPE	TOTAL CASE	TARGET DAYS	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
Age 55 Increase to Pension	12	20	12	85	100	11.75
Change of Address	22	20	22	85	100	3.05
Change of Bank Details	19	20	19	85	100	4.11
Death in Retirement	37	10	16	85	43.24	16.81
Deferred Benefits Into Payment / Payment of Lump Sum	7	3	7	85	100	3
Deferred Benefits Into Payment Quote	3	35	3	85	100	14
Deferred Benefits Set Up on Leaving	7	20	7	85	100	6.29
Dependant Pension To Set Up	18	10	18	100	100	1.94

WORK TYPE	TOTAL CASE	TARGET DAYS	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
Divorce Settlement / Pension Sharing order Implemented	2	80	2	100	100	1
General Payroll Changes	77	20	77	85	100	2.53
Initial letter Death in Retirement	37	10	36	85	97.3	1.59
Injury Review	3	20	2	100	66.67	20.67
Life Certificate	171	10	161	85	94.15	4.85
NI adjustment to Pension at State Pension Age	27	20	27	85	100	13.3
Pension Estimate	59	10	25	90	42.37	24.24
Pension Set Up/Payment of Lump Sum	28	3	28	85	100	3
Retirement Actual	28	10	28	90	100	3.64
Set Up New Spouse Pension	18	5	18	85	100	1.72
Transfer In Quote	9	35	9	85	100	9.89
Transfer Out Quote Fire	5	35	5	85	100	1.8
Update Member Details	26	20	25	100	96.15	4.54

2.1 Pension estimates where the date is more than three months in the future are treated as a lower priority so are only looked at when nearer dates are completed. This results in a significant number of breaches

- 2.2 Death in retirement cases take time to process as WYPF require various documents and forms to be received. During busy periods these cases take time to follow-up, resulting in a significant number of breaches.

3. Financial Implications

- 3.1 There are no financial implications arising directly from this report.

4. Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

- 5.1 There are no HR and or Diversity implications arising directly from this report.

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

- 7.1 There are no health, safety and wellbeing implications arising directly from this report.

8. Environmental Implications

- 8.1 There are no environmental implications arising directly from this report.

9. Your Fire and Rescue Service Priorities

- 9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below: **(please delete any that aren't relevant to your report)**

- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- Provide ethical governance and value for money.
- Collaborate with partners to improve all of our services.

10. Conclusions

- 10.1 This report is for information only.

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Agenda item: 16

Firefighters' Pensions Bulletins 77-82

Local Pension Board

Date: 02/08/2024

Submitted by: Director of People and Culture

Purpose: To inform Members of the contents of the bulletins published since the last Local Pension Board meeting.

Recommendations: That the report is noted and any actions arising from the bulletins are acted upon (where appropriate).

Summary: Included in this report are the actions arising from each bulletin and an update of the status of the actions.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
James.Clarkson@westyorksfire.gov.uk
01274 682311 ext. 680157

Background papers open to inspection: None

Annexes: None

1. Introduction

- 1.1 The Local Government Association (LGA) produces a monthly bulletin which provides pension practitioners with updates on various pension related issues.
- 1.2 The bulletins are sent to Administrators, Scheme Managers, FRA pension contacts and LPB chairs as a matter of course.
- 1.3 There is an expectation of members to scrutinise each bulletin and seek assurance from the Scheme Manager that all actions arising have been identified and acted upon.

2. Information

- 2.1 [FPS Bulletin 77 - January 2024](#) contained the following actions for FRAs:

Action	Status
The Police and Firefighters' Pensions (Remediable Service) (Amendment) regulations 2024: Readers should note the amendment regulations and ensure that any special members who have service within the remedy period are assessed for ill health under both the legacy and reformed schemes accordingly.	Complete
Request for data: FRAs are asked to provide Matthew's project implementation data and opt out data to bluelightpensions@local.gov.uk by 21 February 2024, using the separate data request spreadsheets.	Complete

<p>Matthews – GAD Calculator – Second version and query log: FRAs should.</p> <ul style="list-style-type: none"> • Read the updated user guide and query log. • Download the new version of the calculator from the beginning of February • Ensure that they have the most up to date version of the calculator when they update the spreadsheet at the beginning of the month to allow for the latest interest rates. • Should share this information with anyone who is carrying out the Matthews second options exercise. 	<p>Complete</p>
<p>Firefighters’ Pension Added Pension Compensation: Scheme managers and administrators are recommended to read the guidance, follow the process, and use the template supporting documents to assist the process. This process should be completed by 31 March 2024.</p>	<p>N/A no cases</p>
<p>Age Discrimination remedy – Data Sharing Agreement and guidance:</p> <ul style="list-style-type: none"> • FRAs should use the Data Sharing Agreement for cases where a firefighter was employed by a previous FRA in the remedy period. • FRAs are also advised to follow the guidance document when obtaining the data to ensure that the data is with administrators by 31 March 2024. 	<p>1st point is complete, 2nd point has been extended due to delays in software & RSS template</p>

Age Discrimination remedy – Remediable Service Statement (RSS) factsheet: We would recommend that scheme managers liaise with their pensions administrator to establish what plans are in place for producing an RSS for eligible individuals.	Complete
SAB Levy 2023-24 – Request for purchase order numbers: FRAs to provide a valid purchase order number, stating the number of employees eligible to join one of the Firefighters' Pension Schemes as of 1 April 2023, using the form provided with the SAB 2023-34 levy letter.	Complete
HMRC Newsletter – January 2024: HMRC have contacted all FRAs with information bespoke to them, relating to the Matthews first exercise and national insurance refunds, and have asked that you reply accordingly. Please provide complete information to HMRC by 5th April 2024, any information supplied after this date will not be progressed or chased.	Complete
Local Pension Board (LPB) Training Sessions: Readers are asked to make their LPB members aware of the training sessions and encourage them to book onto a session	Complete

2.2 [FPS Bulletin 78 – February 2024](#) contained the following actions for FRAs:

Action	Status
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<p>The Firefighters' Pension Scheme (England) (Amendment) Regulations 2024:</p> <ul style="list-style-type: none"> • Readers should make themselves aware of the amendments. • FRAs should ensure that pension contributions are deducted from carer's leave and is included in pensionable pay when carer's leave comes into force. • Administrators should ensure that if they haven't already, that they have applied the necessary administration changes needed to correct the error that occurred in the 2021 and 2022 revaluation orders for affected members' benefits. 	<p>Complete</p>
<p>Age Discrimination Remedy – Informal guidance note for accounting and finance: FRAs should note the informal guidance and ensure that they are:</p> <ul style="list-style-type: none"> • paying any corrections to pension benefits (including the applicable interest) through the pension account, • paying any compensation amounts through the operating account, and • keeping robust records of the recommended data separately 	<p>Complete</p>
<p>Age Discrimination Remedy – Ill Health reassessments: FRAs are encouraged to signpost members who are hesitant in agreeing to the re-assessment process to the factsheet.</p>	<p>Complete</p>

Age Discrimination Remedy – Remediable Service Statement member video: Readers are encouraged to direct members to the website and video, should members have any queries relating to the RSS.	Complete
Matthews GAD Calculator cost sharing: FRAs to complete the purchase order form and return to bluelightpensions@local.gov.uk by 21 March 2024.	Complete
Matthews GAD calculator version 2 corrections: FRAs should: <ul style="list-style-type: none"> • Note the issues raised with Version 2 of the GAD calculator, and if they have the relevant calculation types which are affected, should stockpile those cases that haven't yet been processed and reprocess those that have been when the updated calculator is published. • Ensure that they have registered access to the calculator interest update files and the associated update email notification distribution list by contacting firematthewscalculator@gad.gov.uk 	Complete
Matthews – Supporting documents: FRAs are recommended to use the updated version of the Individual Statement of Details documents.	Complete

HMRC Newsletter 156 – February 2024: Readers are encouraged to: <ul style="list-style-type: none"> • read Newsletter 156 – February 2024, paying particular attention to the section on Public Service Pensions remedy – tax treatment of interest. • review the slides from the joint police and fire coffee afternoon/pensions chat on Thursday 29 February 2024 	Complete
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2.3 [FPS Bulletin 79 – March 2024](#) contained the following actions for FRAs:

Action	Status
Age Discrimination Remedy – GAD tax and contributions calculator: FRAs should ensure that they are using the most up to date version of the calculator and guidance.	Complete
Age Discrimination Remedy – Immediate Choice Remediable Service Statement (IC-RSS) roll out update to timetable and member communications: FRAs to appropriately contact the priority cohorts and inform them on the status of their RSS.	Complete
Age Discrimination Remedy – data sharing: FRAs and administrators to familiarise themselves with the revisions made to the document.	Complete
Matthews – GAD calculator: FRAs should ensure that they are using the most recent version of the calculator and are recommended not to make local copies of the calculator.	Complete

Matthews - Project Implementation data request: FRAs to complete the Project Implementation data request and return to bluelightpensions@local.gov.uk by 21 April 2024	Complete
The Carer's Leave Regulations 2024: FRAs are to ensure that from 6 April 2024 they are deducting pension contributions from carer's leave and should include this in pensionable pay	Complete
Matthews – Supporting documents: FRAs are recommended to use the updated version of the Individual Statement of Details documents.	Complete
Written Ministerial Statement (WMS) – Pension Dashboard connection guidance: Scheme managers should ensure that they familiarise themselves with the connection guidance and are ready to connect by the deadline of 31 October 2025.	Complete

2.4 [FPS Bulletin 80 – April 2024](#) contained the following actions for FRAs:

Action	Status
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Age Discrimination Remedy – Immediate Choice Remediable Service Statements (IC-RSS) Rollout: <ul style="list-style-type: none"> • FRAs should inform their administrators as to the choice they have made with regards to possible ways forward. • Administrators should use the new IC-RSS templates with the additional wording where the FRA has chosen to give the member a choice with regards to the payment of interest. 	Complete
Age Discrimination Remedy – Member FAQs: Readers should signpost members to the FAQs where relevant.	Complete

2.5 [FPS Bulletin 81 – May 2024](#) contained the following actions for FRAs:

Action	Status
Age Discrimination Remedy – Compensation guidance: - Scheme managers should familiarise themselves with the compensation scheme manager guidance and the Home Office compensation funding guidance. Scheme managers are strongly encouraged that they follow the guidance when making a: <ul style="list-style-type: none"> • decision • payments. • AME funding claim, and • Reporting to the local pension boards 	Complete

<p>Age Discrimination Remedy – Statutory deadlines: - Scheme managers should familiarise themselves with the statutory deadlines, to ensure that where possible they are adhered to. This may require discussions with your administrator to agree deadlines if this has not already taken place.</p> <p>If a statutory deadline cannot be met, it is important that this is reported accordingly as per the guidance within the factsheet.</p>	Complete
<p>Age Discrimination Remedy – Contingent Decisions: - Scheme managers, should familiarise themselves with the updated guidance, to ensure that they are aware of the updated position. They are also encouraged to report any contingent decision claims and their outcome to their local pension board.</p>	Complete
<p>Update on Tax Treatment of Matthews cases: Scheme managers should ensure that they have familiarised themselves with the email and the recommendations and update their administrators of their relevant decision for processing these cases.</p>	Complete

2.6 [FPS Bulletin 82 – June 2024](#) contained the following actions for FRAs:

Action	Status
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<p>Age Discrimination Remedy – NS&I rate update: - Scheme managers should:</p> <ul style="list-style-type: none"> • ensure that those individuals who are working on the age discrimination remedy GAD calculations are using the updated version of the tax and contributions calculator and supporting documents. • provide an updated output for any cases with a calculation date on or after 23 May 2024, which has already been provided using the earlier version of the calculator. 	<p>Complete</p>
<p>Age Discrimination Remedy – Data Sharing: Scheme managers should ensure that:</p> <ul style="list-style-type: none"> • those individuals who are working on the age discrimination remedy GAD calculations are acknowledging receipt of data requests and are responding in a timely manner in line with the guidance. • the contact for their FRA is kept up to date. 	<p>Complete</p>

<p>Age Discrimination Remedy - Immediate Choice Remediable Service Statements roll out: - Scheme managers:</p> <ul style="list-style-type: none"> • Should consider the cases set out in the 'traffic light' categories and decide whether they agree and instruct their administrator accordingly. • Are encouraged to send out the member communication to those members in the red category and should consider whether they also wish to contact those in the amber and green categories. 	Complete
<p>Age Discrimination Remedy – Remediable Service Statements: Scheme managers should liaise with their administrators to agree a timeframe for the CD RSS to be provided once they have informed them of a positive CD claim.</p>	Complete
<p>Age Discrimination Remedy – Annual Benefit Statement Remediable Service Statements testing: scheme managers are encouraged to support their administrators to be involved in the testing of the ABS RSS.</p>	Complete
<p>Age Discrimination Remedy – Compensation: Scheme managers should consider how the LGA could support a peer working group for compensation claims</p>	In progress

Matthews – Managing expectations: Scheme managers should request that those involved in the Matthews exercise to: <ul style="list-style-type: none"> • share appropriate anonymised cases with the LGA to facilitate further development of the guide. • escalate any cases that they are struggling with the LGA for further support/guidance. 	Complete
Firefighters’ Pension AGM 18 and 19 September 2024: scheme managers are encouraged to book onto the AGM.	Complete

3. Financial Implications

3.1 There are no financial implications arising directly from this report.

4. Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority’s Constitution.

5. Human Resource and Diversity Implications

5.1 There are no HR and or Diversity implications arising directly from this report.

6. Equality Impact Assessment

6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

7.1 There are no health, safety and wellbeing implications arising directly from this report.

8. Environmental Implications

8.1 There are no environmental implications arising directly from this report.

9. Your Fire and Rescue Service Priorities

9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- Provide ethical governance and value for money.
- Collaborate with partners to improve all of our services.

10. Conclusions

10.1 This report is for information only.



Actions and agreements

14 September 2023

Location: Local Government Association Offices, 18 Smith Square, SW1P 3HZ

PRESENT

Joanne Livingstone	SAB Chair
Philip Hayes	Scheme Member Representative (FRSA)
Mark Rowe	Scheme Member Representative (FBU)
Pete Smith	Scheme Member Representative (FBU)
Andrew Scattergood	Scheme Member Representative (FBU)
Tony Currey	Scheme Member Representative (FBU)
Glyn Morgan	Scheme Member Representative (FOA)
Andrew Hopkinson	Scheme Member Representative (FLA)
Cllr Roger Price	Scheme Employer Representative (LGA)
Cllr Nikki Hennessy	Scheme Employer Representative (LGA)
Cllr Chard	Scheme Employer Representative (LGA)
Cllr Phillips	Scheme Employer Representative (LGA)
Cllr Byrom	Scheme Employer Representative (LGA)
Helen Scargill	Technical Advisor
Craig Moran	First Actuarial
James Allen	First Actuarial
Philip Woolham	Legal Advisor
Claire Johnson	LGA – Senior Firefighter Pension Advisor
Tara Atkins	LGA – Firefighter Pension Advisor
Helen Fisher	Home Office
Antony Mooney	Home Office

1. Introductions, apologies, and conflict of interest

1.1 Karen Gilchrist and Cllr Roger Hirst sent their apologies. Des Pritchard was substituted by Andrew Hopkinson (only present for part of the meeting).

1.2 Joanne Livingstone welcomed Simon Primmer from Home Office, who was new in his role.

1.3 JL reminded members of the Board to declare if any new conflict has arisen. It was confirmed that there is no requirement for forms to be completed. No conflicts were declared.

2. Actions arising (8 June 2023) and Chair's update.

2.1 JL firstly welcomed Claire Johnson back from maternity and said she was mindful of the stresses and strains on the team, as they have a vacancy on the team. She wanted the Board to support the team where possible.

2.2 JL asked CJ to give an update on staffing matters.

2.3 CJ confirmed that Tara Atkins had been made permanent within the team, but that she would not necessarily now be concentrating on communications. CJ also confirmed that they had been out to advert to fill the vacancy created by the departure of Elena, but that they had not been successful in filling the post. The plan is to go back out to advert, but that they may still need extra resource and would be glad of the Board's support on this request.

2.4 Cllr Phillips asked where there was budget provision for additional support. CJ confirmed that there is budget for 1 senior advisor and 2 advisors. There had also been budget for a year's fixed term communications role, which would cease in March 2024.

2.5 CJ confirmed the importance of choosing the right candidate to be able to fulfil the role.

2.6 Mark Rowe wanted to thank Elena Johnson, who has now left the team, for her hard work, and the contribution she had added, as she was always quick to respond and approachable.

2.7 JL updated the Board on her attendance at the Fire Finance network meeting. She remarked that the reforms would lead to additional reporting requirements and wanted to ensure that the Board were aware of this and were supporting those responsible for such submissions.

2.8 JL was pleased to update that Tony Curry has kindly agreed to take on the role of the Chair to the Cost Effectiveness Committee. She noted that this committee had not met for a long time but was likely to have a number of things on its agenda so she hoped that meetings would be arranged. She noted that Claire Neale had left the Committee following her move from Fire to Police.

2.9 JL reported that she had met with the London Local Pension Board (LPB) and was increasing her own focus on the role of the LPBs and what they might expect of the Board. She stressed the importance of LPBs being fully aware of their responsibilities in the governance of their scheme. The Pensions Regulator (tPR) has indicated higher scrutiny over Governance is needed. The Board might consider seeking further data to help the LPBs and allow benchmarking.

2.10 It is the Firefighters' Pensions AGM on 19 and 20 September 2023, JL asked who was looking to attend, and noted that she was giving a talk on LPB effectiveness which would pick up some of the above and other challenges for LPBs.

2.11 JL flagged that she hoped the Board would consider further how it might support LPBs and help them to support each other which would be needed given the increased discretions applying to the individual schemes.

2.12 Cllr Hennessey suggested that this could be through the coffee morning events. CJ clarified that LPB training is offered. CJ also highlighted on the gap between the Board and LPBs. JL reflected on the need to agree how the

Board might work with the LPBs and noted that this was on the agenda later in the day.

2.13 Cllr Hennessey suggested that the sub-committee might monitor the LPB attendance at the AGM.

2.14 JL confirmed that she had written back to the Home Office following their response to the Remediable Service regulations (Sargeant/McCloud) consultation. The letter highlighted a number of factors including:

2.14.1 The need to consider how best to provide support to LPBs and scheme managers with regards to an increase in discretions to be exercised by local managers.

2.14.2 The important of the regulations being clear to ensure that there is no ambiguity, and that the policy intentions are met.

2.14.3 One area where the Board remain confused in respect of the payment of contributions for remedy.

2.14.4 Erroneous references to the police service within the laid regulations, and

2.14.5 That there was no answer provided to the Board's question regarding special members of the 2006 scheme who may require ill health reassessment.

2.15 JL also highlighted that software development was another area of risk and that scheme managers were facing different responses by their administrators in plugging the gaps that there will be in the automation offered by Civica and Heywood.

2.16 JL also referenced the Matthews (special members of the 2006 scheme) consultation. Brian Allan from GAD would be providing an update on the calculator later in the meeting.

2.17 JL also confirmed that she had written to Home Office with regards to temporary employment pay to understand the policy intent. It was observed

that scheme managers are keen for the Board to guide, but that the Board cannot make the regulations.

2.18 JL updated the Board with regards to the input into the valuation assumptions and thanked First Actuarial for their input.

2.19 Philip Hayes asked about whether voluntary firefighters were included within the Matthews exercise. CJ explained that voluntary firefighters are provided for within the regulations. It was suggested that it would be worth looking into which FRAs still had voluntary firefighters and establishing whether they are covered under the Part Time Workers Directive

Anthony Mooney said that they had done some data searching previously as to whether there were still FRAs who have voluntary firefighters. Andrew Hopkinson provided some evidence in the meeting that some FRAs still have voluntary firefighters.

2.20 Philip Woolham asked whether the Board needed legal assistance with this, and if so, they would be happy to assist.

2.21 Mark Rowe acknowledged the letter to the Home Office with regards to temporary and thanked the Chair for raising this important issue.

2.22 MR also reflected upon an issue with regards to firefighter apprentices, where they are being enrolled into the Local Government Pension Scheme, instead of the Firefighters Pension Scheme. FBU have liaised with FRAs previously on this with regards to the fact that they believe that this is the wrong interpretation of the regulations. MR asked that the LGA flag this. **ACTION** LGA to cover eligibility in the FPS Bulletin, to remind FRAs which Scheme firefighter apprentices should be enrolled into.

3. Home Office update

3.1 Helen Fisher echoed the resource pressures and their desire to support the LGA team where they can. HF noted that Claire's return had been proactive in terms of the work and the discussions she has already tried to implement.

HF also expressed her satisfaction that TA had been made permanent to the LGA team.

3.2 HF introduced Simon Primmer, who has joined the Home Office team.

3.3 SP gave a summary that he has 23 years pensions administration background, Operations Manager at the Pensions Advisory Service and has most recently been working at the Department for Work and Pensions (DWP) on the Money and Pensions Service and the Pensions Dashboard Programme.

3.4 HF gave an update on the work that her team had been carrying out to include the remediable service government response and regulations being laid. HF gave the Board confirmation that compensation to FRAs will go through AME and will be paid through the top up grant. HF said that the team would be asking LGA to send an email to FRAs to help get an idea of cases to help HMT forecast for this.

3.5 The GAD tax and contributions calculator had been circulated this week and GAD will be providing a webinar in conjunction with LGA.

3.6 The Matthews regulations and government consultation response had been published.

3.7 HF confirmed that they have been working with HMT, MoD and devolved administrations over the past few months over revaluation increases, and a related written ministerial statement was published: [Written statements - Written questions, answers and statements - UK Parliament](#)

3.8 During QA work for the Treasury Revaluation Order 2023, it was noted that the Orders for 2021 and 2022 used provisional Average Weekly Earnings (AWE) growth estimates published by the ONS the preceding November respectively rather than revised AWE figures published the preceding December. This deviates from the approach taken from 2015 to 2020 and in 2023, and their best assessment is that it occurred in error. This primarily affects schemes revaluing benefits based on AWE, i.e. the 2015 Firefighters'

Pension Scheme including devolved schemes and the 2015 Armed Forces Pension Scheme. The overall effect is that revaluation for affected members is up to ~0.6% lower than it would have been if revised ONS figures had been used.

Revaluation order for April	Figure in Order	Statistic as published in latest ONS release
2022	4.1	4.5
2021	2.4	2.6

3.9 While primary legislation gives HMT a fairly broad remit on the choice of earnings measures, it is Home Office's and Treasury Ministers' view that, given the lack of a policy rationale for the change in methodology, affected members will need to be put back into the position they would have been in had revised AWE figures been used in 2021 and 2022. This is not straightforward legislatively as past Treasury Orders seemingly cannot be amended through future Treasury Orders or scheme regulations. The parties believe that remedy can be provided through additional pension accrual under Section 3 PSPA 2013. MoD, HO and devolved administrations will consult and legislate for these scheme specific changes.

3.10 HF moved on to talk about the limited number of past Club transfers from the affected schemes, where transferred-in pensions may have been smaller than should have been the case and revaluation provided on the basis of the sending scheme has been lower than it should have been following this correction. Home Office have discussed this issue with Cabinet Office and affected departments, and their preferred approach is to also correct the position for these members through a combination of the proposed s3 PSPA 2013 regulations and amendments to the Club Memorandum, and avoid receiving schemes having to make bespoke regulations in respect of a small number of past transfers in. However, there may be some issues to be worked through with this approach as the Club Memorandum cannot override conflicting rules of receiving schemes.

- 3.11 A consultation will take place and will come to the Board and will need to be carried out as a priority.
- 3.12 It is acknowledged that this will affect members figures for remedy, and as such Home Office are fully supportive to administrators updating members records before the regulations have been updated.
- 3.13 HF confirmed that Home Office will be putting out a statement to Fire Authorities to confirm this. The written statement is currently with the government lawyers.
- 3.14 HF also confirmed that piggybacking onto this change in regulations would also be a need to update the scheme provisions to reflect the Carers Act 2023.
- 3.15 This will require consequential amendments to be made to existing regulations, including potential amendments to public service pension scheme rules. These would be similar to the consequential Public Service Pension Scheme regulations made in 2020 in regard to the right to parental bereavement leave.
- 3.16 The Carer's Act provides employees the right to take unpaid leave to care for a dependant for one week per year. Such a person would be entitled to, amongst other things, the same terms and conditions (excluding remuneration, which would include pension) as if they hadn't taken the leave and a right to return to the same job.
- 3.17 JL asked whether this would be a retrospective change. HF confirmed that it would not be.
- 3.18 JL then asked about the AWE issue and the impact on administrators' resource in an already busy period.
- 3.19 Helen Scargill confirmed that it would be a huge piece of work. For active members this would be relatively straightforward, by stripping it back and running the revaluation calculation. However, for deferred and pensioner members it would require the same process to revalue the benefits,

administrators would then need to recalculate the benefits and notify members individually. For pensioners this would also require a recalculation and adjustment of pensions in payment.

3.20 HS also reflected that if the written statement does not come early enough, RSSs?' will have been produced, and these will then require recalculating and a second version to be sent to members.

3.21 HS asked whether they would then need to include something in the RSS to say that the figures have changed and why?

3.22 JL noted that when the Home Office first made FRAs and administrators aware of this issue, it was represented as a minor matter, but that it now seems to be much bigger.

3.23 HS stressed that administrators will already be starting to produce RSS figures, and therefore the written statement needs to be provided as a priority. **ACTION** Home office to ensure that the written statement is provided as a priority.

3.24 Cllr Phillips reinforced the need for this to be sent as a priority and that a consistent approach needs to be taken by FRAs and JL agreed.

3.25 CJ asked HS to provide a paper for the Technical Working Group. HF confirmed that she would be at the TWG, with this in mind and would be happy to share material for the meeting. HF also agreed that a common approach needs to be taken.

3.26 HF confirmed that their view is that it can be rectified through the ABS/RSS. Retirements will need to be rectified as a priority and will need to be written to separately.

3.27 AM confirmed that the Armed Forces are also affected by this, and that they have had discussions with them.

3.28 JL asked where the Armed Forces were with their rectification. AM confirmed that Fire is further ahead than the Armed Forces. SPPA are also

affected but they are further ahead as they are both the scheme manager and government.

3.29 HF gave an update on the valuation. HM Treasury have made [directions](#) which have been published. HF thanked the Board and First Actuarial for their recommendations and asked if the Board would be able to meet week commencing 2 October 2023. **ACTION** Home Office to set up meeting.

3.30 HF then gave an update on the Medical Appeals Board contract procurement to announce the new provider is Duradiamond, who currently hold the contract. The new contract is due to come in from 1 October 2023.

3.31 JL referenced the [letter](#) between HM Treasury and GAD relating to advice on the methodology used in determining contribution rates, and [the response](#) which suggested that GAD had not advised on the spreading period. JL flagged noted that the Board had, in its response, asked specifically about GAD advice on the 15 year spread., HF confirmed that the ownership is on HM Treasury. JL noted that this was not the case when the assumptions were consulted upon for the 2012 valuation. She observed that actuarially speaking a longer spreading period would apply when interest rates were reduced and vice versa. BA confirmed that he understood what was being asked, and HF agreed to take it away as an action. **ACTION**

3.32 Craig Moran asked whether the scheme specific assumptions had been signed off yet. HF confirmed that they haven't been yet, which is why they couldn't share the results with the Board. She did confirm that the Board's recommendations really helped to shape the assumptions that are being put forward.

4. GAD: Matthews Calculator


4.1 Brian Allan gave an update to the Board, that the calculator was being updated from the first exercise to ensure that it is fit for the second options exercise, and that this included a benefit calculator, which had been commissioned through the Board.

- 4.2 Joanne apologised that she should have mentioned in her update that as Chair she had pressed on with commissioning the additional elements. She also thanked Glyn Morgan who had, like her, been attending the Matthews Technical Working Group (TWG) and Glyn gave his input to the discussion,
- 4.3 Brian presented where they are with the development – [FPS England SAB – GAD calculator update](#)
- 4.4 On 1 August 2023, the Matthews TWG were shown the calculator. BA explained that the calculator has been tested by GAD and is now with a small set of FRAs who have volunteered to test the calculator with ‘real’ data.
- 4.5 The calculator inputs through a bulk file or individual input.
- 4.6 The delivery of the calculator is being split into two parts, due to its functionality. The first will be available to the testers from 1 October 2023, with roll out to other users some time thereafter and the later model delivery will be around Christmas and will include recent developments from the consultation response.
- 4.7 BA noted that in the second options exercise there is more complexity, which will be able to be partially reflected within the calculator, however the most complex cases will need to be carried out by GAD.
- 4.8 Cllr Hennessey asked for an example of a complexity. BA confirmed that there were different types of complexities:
- 4.8.1 Multiple periods of service.
 - 4.8.2 Service covering different parts of the scheme.
 - 4.8.3 Providing adjustment for historic tax relief, to include higher rate and lower rate tax.
- 4.9 Philip Hayes asked if the calculator could be demonstrated to the Board. BA didn’t have the calculator available to be able to demonstrate it but did confirm that this would be covered at the Matthews workshop at the AGM the following week, for those attending.

4.10 CJ asked what the percentage of who can be dealt with using the first release and who will need to wait. BA covered the scenarios as follows:

Calculator scenarios (current draft)	
First live version	Second live version
Cohort 1 (can buy mandatory period benefits only)	Cohort 2 who did not purchase at M1 and are eligible to convert 2006 serviced
Cohort 3 (existing M1 functionality)	Cohort 2 who did purchase at M1
Cohort 2 who did not purchase at M1 and are not eligible to convert 2006 service (excluding any scenarios included at second version or case by case only)	Current firefighters earning outside of basic rate tax bands at election. (excluding any case by case scenarios)

5



4.11 BA then confirmed that he thought that there would be small numbers in cohort 1 and 3 and larger numbers in cohort 2.

4.12 CJ also asked about the testing and whether there were any issues that the Board needed to be aware of. BA said that there hadn't been any major issues. The feedback had mainly been about how to get in and use it (ie interface questions in terms of how do they access and use it), but there had been no feedback yet on the use and operation for live cases, which they are hoping will come in October.

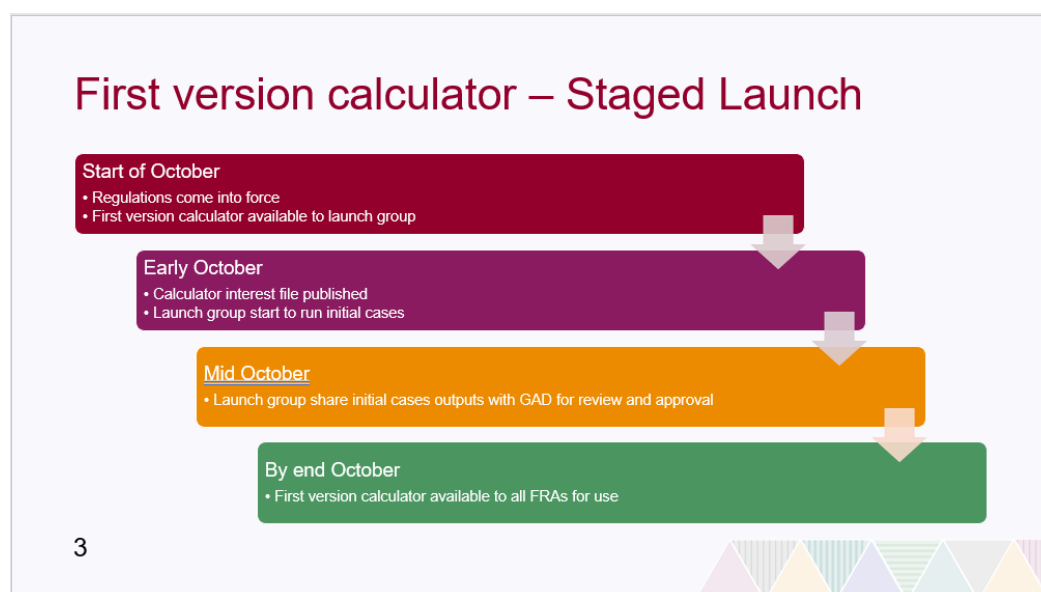
4.13 GM said he was confident from his attendance at the Matthews TWG that the technicality and areas have been covered and where needed answered.

4.14 MR asked about the aggregation issue. AM said that Home Office are still seeking legal advice so the calculator will need to continue as is based on the consultation response and regulations laid. If there is an outcome on the issue, then the calculator would then be updated accordingly. Home Office are taking the aggregation issue as a separate workstream outside of Matthews. JL ask if she was correct in her recollection that the terms for the model excludes aggregation. MR commented that he wouldn't want all the work to be wasted, or efforts needing to be duplicated. CJ said that she

thought it would not be desirable to delay the calculator to wait for an outcome of the discussions.

4.15 JL then asked about the costs, and reminded GAD that the Board had asked to be notified if additional costs were starting to be incurred. BA confirmed that they currently envisage that the full budget will be used but has not yet been exceeded.

4.16 BA then went through the launch of the calculator:



4.17 BA confirmed that they are hoping that the initial testing group will be happy to continue testing the calculator into October.

4.18 BA then reflected on lessons learnt from the first exercise. Interest will be uploaded each month rather than a new calculator being sent to FRAs each month. At the beginning of each month, usually within the first few days an interest file will be shared/uploaded (still to be determined).

4.19 JL asked if there would be enough cases to test.

4.20 HS reflected that there will be frustration from FRAs and members a) due to the timing of roll out of the calculator to all parties b) the ones they were going to prioritise will have to wait until the second version.

4.21 JL highlighted the importance of communicating this to those involved.

- 4.22 Cllr Hennessey asked for an indication of the percentage of cases covered by the various versions. HS said that based on her clients alone they have in excess of 10,000 cases. Based on those already receiving a pension between 500-1000.
- 4.23 JL suggested that the communications working group may wish to look into how this should be communicated. **ACTION**
- 4.24 HS mentioned that they have three months from when the regulations come in to communicate with members.
- 4.25 AM said that expectations need to be managed as the exercise will take time.
- 4.26 HS agreed that FRAs need manage members expectations, within their communications.
- 4.27 CJ reiterated HS concerns about the lack of immediate availability of the first version calculator for 1st October and noted that communications will need to be handled delicately. CJ also suggested that we could look to Union colleagues to help manage expectations.
- 4.28 CJ also then asked about sharing more widely what data input will look like to help the sector. BA said that he will take away an action to provide more widely what the testers have been using. **ACTION**
- 4.29 In response to concerns expressed about the timescales, AM confirmed that the regulations provide flexibility for Matthews second options exercise and then McCloud to take place.
- 4.30 HF thanked BA and his team for the work, particularly due to the complexity and confirmed that it will be there by the end of October. They have no choice but to work to the timescales set in the MOU. Home Office will help with the communications if they can.
- 4.31 BA confirmed that he would take the module and technical information to the next TWG, which is 21 September.

4.32 MR raised what he called a red flag over reasonable endeavours to write to individuals by December 2023. He raised that the FBU had responded in length to the consultation about aggregation and that the options would be given before any outcome on the aggregation issue is resolved, which would mean that individuals would have to then be given revised information once the outcome had been concluded.

4.33 AM confirmed that as it is an ongoing legal issue, so there was not much more that they could comment on, as there is no outcome yet due to the complexities. He did however confirm that they are dealing with this as a priority.

4.34 HF reiterated AM's points but reassured that it is a priority.

4.35 JL asked whether more information about the aggregation issue could be brought to the Board, so that they had a better understanding of it. HF said that she will ensure that it is included in her updates in future meetings.

4.36 MR said that he would be happy to put a paper together so that the Board understand the issue. **ACTION** JL agreed that this would be helpful.

5. LGA: Retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme (England) order 2006 – government response and Data Sharing Agreement

5.1 CJ gave a high-level overview of the consultation, noting that the Board provided a response which was discussed at the June meeting, and that the Government's response and regulations were laid on 8 September 2023. The Board papers were later than usual, to allow for this to be included.

5.2 CJ summarised that the Government's response had addressed several of the concerns raised, which included:

5.2.1 If an individual had not been identified within eighteen months, there is now flexibility for the scheme manager to extend this period.

CJ said that it would be important to ensure, however, that FRAs don't choose to use this as a reason not to engage with the process.

- 5.2.2 Concerns over the timetabling, which has been confirmed as being indicative only to give a steer and by when.
- 5.2.3 Concerns over tax and how historical tax will be addressed. Higher rates will be included within the GAD calculator, which BA covered in his presentation.
- 5.2.4 Confirmation that the scheme manager can agree a claim.
- 5.2.5 Concerns over the need to include pay data going back to the 1960's. Regulations have set assumptions to use if the data is missing.
- 5.2.6 The regulations address added years that individuals have purchased already and what happens around the cap.
- 5.2.7 The regulations confirm that the special service date is to 31 March 2015.
- 5.2.8 The regulations now cover cases where a reversal decision can be taken.

5.3 CJ went on to confirm what the consultation didn't address which includes:

- 5.3.1 Reasonable endeavours, as there is no determination as to what this requires.
- 5.3.2 Central assumptions, where the pay rate for a wholetime firefighter has six points on the scale to include, service for first 6 months, after 6 months but before 2 years, during 2nd year, during 3rd year, during 4th year, during 5th year (subject to being fully qualified), and which should be used.

5.4 Trivial Commutation cannot be reversed. It was discussed that the Board may wish to seek clarity on this from their advisors.

5.5 CJ then summarised the consultation response points raised by other stakeholders, which included:

5.5.1 Death grant members where she noted that the claim date has been extended to March 2025.

5.5.2 Reasonable Endeavours issues

5.5.3 Local assumptions, as some FRAs considered that local assumptions may be relevant where they hold data about the same or other fire stations, roles etc, but just not for the individual concerned. This has been added to the regulations.

5.6 Cllr Chard asked whether there was any evidence that FRAs were likely not to engage in the options exercise.

5.7 CJ suggested that the concerns were more about resource and data issues and that FRAs didn't necessarily deal with the exercise in the correct timescales and didn't carry out the due diligence for reasonable endeavours.

5.8 TA reassured the Board that the LGA had been having discussions with FRAs around the expectations, and what is they need to do, including providing guidance and template documents for them to use.

5.9 MR said it was currently chaos with everything that is going on at the same time, and that communications to members is really important.

5.10 JL then asked if the Board could look at the best way for this to be communicated and it was suggested that the communications were shared with FBU. **ACTION**

5.11 Cllr Phillips raised the problem of inconsistency across FRAs. He also suggested that the SAB might help to address this.

5.12 CJ raised that this is an area where we should be feeding into the LPBs. But some FRAs adopt their own practices and the LGA aren't quick enough getting things out they go their own way.

- 5.13 Cllr Phillips suggested that this may be where the Home Office need to come in.
- 5.14 HF agreed with this assessment and will support LGA Officers work and potentially set up a scheme managers group to bring them together to discuss, which would replicate what they have in place with NPCC. **ACTION** Home Office to take this forward.
- 5.15 JL mentioned that she would be keen to be part of the discussions on forming such groups.
- 5.16 Cllr Price suggested that the Board members reach out to those LPBs not complying and potentially invite themselves to their LPB meetings.
- 5.17 JL then asked whether the Board would want to look into guidance on reasonable endeavours.
- 5.18 HS suggested a guidance note on what should be considered for reasonable endeavours i.e. poster – publish it, tracing – carry it out, template communications – use them, payslips – put a note on them, website – publicise it, social media – use it.
- 5.19 MR said he would like to second the proposal.
- 5.20 JL noted that she thought that reasonable endeavours is a legal area but agreed that it may be helpful to create a factsheet on what good practice looks like.
- 5.21 JL then asked about the process to produce such a fact sheet. The LGA agreed to produce a first draft and circulate for comments. It would be supplied to scheme managers and LPBs. **ACTION**
- 5.22 JL then asked the Board to consider the actions it wished to take with regards to the pay assumptions, eg whether they wish to ask that whether the Home Office can define which point within the Firefighter pay scale that they would want FRAs to use. She noted that the ability to use localised assumptions could lead to further inconsistencies between FRAs.

5.23 AM referenced that localised assumptions were added in response to the consultation. He indicated that since each FRA deals with pay etc, they should know what assumptions were appropriate. HS challenged how they would know and noted that the assumptions would not be standard. AM agreed that if more details of the issue could be supplied Home Office would be able to consider it. HS said that she can set out some examples so that a standard assumption can be created. **ACTION**

5.24 BA commented that it will be for the FRA to define what is input into the calculator.

5.25 CJ then explained the need for a Data Sharing Agreement for those FRAs where the individual is with a different FRA now, and where they will need to obtain the pay and service information from another FRA. The regulations define that it is the latest FRA who will need to provide the Matthews second options exercise options.

5.26 It was confirmed that all FRAs who have retained firefighters will be affected, other than London.

5.27 JL asked whether the Board agree to commissioning Eversheds to carry out the work through the national framework.

5.28 The Board agreed. **ACTION**

6. LGA: Home Office response to McCloud consultation

6.1 CJ summarised the consultation and that the government response and regulations have now been laid and will come into force on 1 October 2023. She compared the response with the comments submitted by the Board.

6.2 Immediate detriment and making a new choice: the consultation response confirmed that this is covered under the Public Service Pensions Judicial Officers Act (PSPJOA) and does not allow for them to change their decision.

6.3 Immediate choice timescales: it was thought that 6-12 months was too long to make a choice, and the regulations have been changed to 3-6 months with

the ability to revoke a decision within 10 days before the payment is due to be made.

6.4 Immediate benefits: The regulations allow that members who are retiring with immediate benefits do not first have to have received a remediable service statement (RSS). CJ confirmed that the LGAs position is that a member should be given their options before payment is made, and that this should only be a backstop position. LGA officers have created a template letter that can be used as a replacement for the RSS, until it has been published.

6.5 Individuals who had been dismissed on capability grounds: the regulations have been amended to cover these cases.

6.6 CJ covered that there were still some areas where the response did not cover the Board's concerns.

6.6.1 Timescale to make a decision: this remains at 12 weeks which the Board was concerned would not give enough time for members to seek advice before making a choice.

6.6.2 Ill health reassessment cases are not covered within the regulations for those cases who are special members under the Matthews second options exercise.

6.6.3 Added pensions: the response only provides a part solution where a refund will need to be made and interest paid.

6.7 CJ gave an update on the work LGA officers have been doing on the RSS, and making the Board aware of the costs involved if we continue to work with Clay10, who have been working with the NPCC to produce an RSS which can be used for the Firefighters' Pension Scheme.

6.8 CJ explained that the choices would be either to procure a company from scratch or to utilise using Clay10. The cost associated with this is £9,700, which will include updating the graphics, reviewing the wording and producing a video to help members understand their RSS.

- 6.9 Contributions clarity. PH asked what the response is. JL noted that the regulations as drafted appeared to suggest that contributions must be paid within 3 months of the receipt of any RSS as opposed to being payable in any three month period following the receipt of an RSS. In addition, if contributions aren't paid there is provision to deduct from pension, but the regulations do not make clear that all the contributions must be paid in one go. She was waiting for a response from the Home Office regarding this.
- 6.10 Contingent decisions opt outs – if members opted out within 6 months of the remedy period starting, they are classed automatically as having a contingent decision. CJ confirmed that LGA officers are working on guidance for FRAs to cover the parameters set out by HM Treasury and that Home Office have been helping interpret what it means. Guidance will also be needed for members, for them to understand.
- 6.11 Contributions holidays are covered by PSPJOA.
- 6.12 GAD contributions and tax calculator has been uploaded to the FPS regulations and guidance website, where LGA officers will update it accordingly when GAD provide any revised versions.
- 6.13 JL noted that the GAD model is an important element of the remedy but has not been independently verified and she suggested that the Board may wish to gain more assurance by asking for First Actuarial to review it. **ACTION**
- 6.14 CJ referred to Paper 2 of the Board Pack and noted that on page 6, paragraph 38 there is a description of the where processes might be required for scheme manager discretions. Paragraph 39 refers to the initial compensation guidance note. She noted that the Board may wish to take legal advice, eg with regard to how far the compensation guidance cover extends.
- 6.15 JL asked the Board whether they agreed the proposal for the RSS and continuing to work with Clay 10. The Board agreed. **ACTION**

6.16 JL noted that the Board had been asked to consider paragraph 36. She noted that the treatment of added pension is that it has to be refunded with 8% interest but that members could use a contingent decision route to ask to buy additional pension and that Home Office had signalled that automatic qualification seemed reasonable. She wondered whether the Board needed to consider this. HS gave context that they have 23 cases – so she considered this was a small issue. CM said that originally it was an actuarial issue but has then become an equality issue.

6.17 HS was of the view that such members should all be looked at individually and then given their options.

6.18 GM asked about guidance. HS confirmed that they would either receive a refund and that's it or can then have a contingent decision.

6.19 The Board agreed to support this approach. **ACTION**

6.20 The Board then considered the processes outlined in paragraph 38. It was noted that if there were regulations then the processes would be defined. The Board cannot dictate but could seek to ensure that guidance is produced regarding best practice.

6.21 CJ said that from her perspective the following items are not on the radar for producing supplementary materials in the short term.

- Abatement
- Not made an election
- Deferred election
- Overpayments

6.22 PW said that they would be happy to provide a legal view on them.

6.23 HS raised concerns over abatement but noted that she has not yet analysed the issues in detail.

6.24 JL asked the Board how they should fill the gaps. Some FRAs have policies, and some don't. How should the Board ensure a consistent approach? CJ said that it is likely to sit with LGA so that the basics of the decisions are consistent. **ACTION**

6.25 JL said that the Board's objectives don't cover ensuring consistency, however in promoting good practice it might be argued that 'Good decisions are those that are arrived at consistently'.

6.26 CJ commented that FRAs look to LGA for guidance, but some require real case scenarios to feed in.

6.27 HS suggested putting principles together which can be applied, and the Board thought that this approach would be helpful

6.28 In response to a question about how widespread the granting of immediate detriment had been it was suggested that it might be approximately 50% but the FBU said that 28 FRAs were in it but not in its entirety.

7. Local Pension Board Effectiveness – consistency and knowledge sharing

7.1 JL summarised her further thoughts on LPB effectiveness based on the earlier discussions and her research for the AGM.

7.1.1 It is sensible for LPBs to look at policies and ask for them to be on the meeting's agenda, given their remit.

7.1.2 The Cost Effectiveness Sub-Committee would be asked to help ensure that Board members attend LPB meetings as has been agreed in the past.

7.1.3 She understood that most of the knowledge was in the hand of the day to day officers who might feedback information received from regional groups. She thought that LPB members should also be encouraged to attend these.

7.1.4 She noted that LPBs don't generally have much independent material on their agenda, other than from their administrators.

7.2 Cllr Price asked if it is known who is on each LPB and whether we have contact details?

7.3 CJ said that the problem is that the membership can rotate a lot and will depend on the makeup of the Board and terms of reference.

7.4 Cllr Hennessey asked how many hours are spent on the LPB.

7.5 Cllr Phillips commented on the inconsistencies of the interpretation of the regulations and that Home Office need to support this.

7.6 HS suggested the follow items:

- Update standard agenda for every Board **ACTION** for the Technical working group to draft an example standard template.
- Letter to scheme manager and LPB chair on remedies, governance level etc. from either the Board chair or Effectiveness Committee Chair.
ACTION JL to draft the letter.

7.7 Cllr Price agreed that Home Office need to be on board, as it is a national scheme.

7.8 Suggestion made as to how the Board could liaise with tPR to help to engage on this.

7.9 A letter from Board Chair and Home Office to tPR if they are not available from the effectiveness committee to seek contact data. **ACTION** JL to draft a joint letter to tPR from the Board and Home Office

7.10 Is the right audience attending day one of the AGM? JL said she would be asking that as part of her presentation.

7.11 How can the Board draw from LGPS experience? Cllr Phillips shared some observations.

8. Action summary and review

- 8.1 Temporary – JL has sent a letter to the Home Office, which has been acknowledged but no response received as yet.
- 8.2 Modular training – Board members should carry out induction and annual refresher training, this may need to be postponed until the LGA team have filled their vacant position.
- 8.3 JL commented that there has been issues with take up/attendance of the sessions offered.
- 8.4 Member remedy videos – These have been commissioned from Aon, the Firefighters communications working group have been involved with script development, and they are due to be ‘Premiered’ at the AGM next week and launched on 30 September.
- 8.5 Checking the SAB website details, completing knowledge and training forms – reminder to complete. **ACTION** to resend to the Board members.
- 8.6 Valuation – Home Office meeting with the Board on 3 October 2023. Post meeting update: Following a technical issue with the meeting invite, Board members were invited to a further session on 4 October 2023, and a copy of the [slides](#) are available on the [Board meeting restricted pages](#) on the FPS Board website.
- 8.7 Collaboration with NPCC and Scotland – NPCC has progressed on contingent decisions.
- 8.8 LGA reengagement with NFCC – Ian Hayton is drafting a paper on reengagement and will be brought to the next meeting.
- 8.9 Contingent Decisions – liaise with FCMC for consistency. What information do they hold on opt outs cases. **ACTION** LGA to take forward.
- 8.10 SAB liaise First Actuarial with added years – on hold until the regulations came in. Is this still needed – CM suggested that it is not and would fall into the contingent decisions work.

- 8.11 Contact LPBs to ask if they want Board members to attend – this has been subsumed by new action.
- 8.12 Actions from today will be added to the actions log.
- 8.13 MR asked that progress was made on the item with regards to commutation and removing the limitation. He said a conversation was had with SPPA when they took it forward.
- 8.14 JL asked about the abolition of LTA. HS confirmed HMRC have said that the unauthorised charges were an unintended consequence.
- 8.15 GM thought that the discussions on removing the limitation had been covered at a previous meeting with SPPA but that he would, in any event, seek feedback and ask if the information had changed.
- 8.16 It was clarified to the meeting that this was an item at the meeting on 24 March 2022 – 92 Scotland and was followed up afterwards. Home Office would require a business case if they were going to take it forward. HS said that she thinks that the figures are within the paper from 24 March 2022. HS suggested that if new figures from SPPA showed that it increased retirement then this may be the grounds for a business case.
- 8.17 MR said that it's in the discretions already. HS confirmed that there must be financial benefit to the FRA for them to exercise it.
- 8.18 CM asked what the detriment of if not being used might be to the fire service as a whole and the member representatives noted that it may save some of the difficulties involved in a capability dismissal when there is a need to consider redeployment.
- 8.19 Reengagement policy from NFCC – The Board members noted that a paper had not yet been received and reminded themselves of the issues involved and concerns as to who might benefit and who might make the decisions.
- 8.20 The Board agreed the actions.

8.21 It was then agreed that FBU would put a paper together relating to removing the limitation for commutation to replicate what Scotland have brought in and would then bring to the Board.

9. Review of SAB risk register

9.1 The Board were asked to note the new risks:

9.1.1 Costs/Funding –

- unsuitable/inaccurate assumptions used to value schemes.
- Cross-subsides of FRAs using individual discretions.

9.1.2 Change to CARE revaluation date for Police schemes could have unintended consequences for the Fire sector.

9.2 The discussions on the CARE revaluation date noted that this was an issue that was first raised prior to April this year. It has turned out to be less of a risk for Police than NHS. However, it was noted that the revaluation rate had proved a risk for the Fire Schemes due to the Treasury Order error.

9.3 It was agreed to amend the risk register to reflect the revaluation orders issues for the AWE CARE and delays to remedies.

9.4 HS asked if pensions dashboards should be on the risk register – the consensus was that it would come under not complying with overarching regulations.

9.5 In the interests of time, JL asked the Board to look at the risks and come back if there is anything missing.

10. Software supplier updates: Heywood and Civica

10.1 JL reflected that they had both not quite delivered as had hoped and there will be manual intervention.

10.2 HAS commented that they have been working on workarounds. HS said they are hoping that members won't know any difference but not all administrators will necessarily have the resource.

10.3 JL asked if there were any questions that Board members may want to be put to the software providers? Board members should revert if they wish to raise anything.

10.4 Issues on the regulations being laid later than they would have needed them which has been relayed back to the Home Office.

11.AOB and date of the next meeting

11.1 MR asked if they could use the Matthews consultation response paper. CJ agreed but asked that the data sharing agreement information was removed.

11.2 Date of next meeting 14 December 2023 via MS Teams



Actions and agreements

14 December 2023

Location: MS Teams

PRESENT

Joanne Livingstone	SAB Chair
Philip Hayes	Scheme Member Representative (FRSA)
Mark Rowe	Scheme Member Representative (FBU)
Pete Smith	Scheme Member Representative (FBU)
Andrew Scattergood	Scheme Member Representative (FBU)
Glyn Morgan	Scheme Member Representative (FOA)
Des Prichard	Scheme Member Representative (FLA)
Cllr Byrom	Scheme Employer Representative (LGA)
Janet Perry	Scheme Employer Representative (LGA)
Helen Scargill	Technical Advisor
Craig Moran	First Actuarial
James Allen	First Actuarial
Mark Poulston	Legal Advisor
Claire Johnson	LGA – Senior Firefighter Pension Advisor
Tara Atkins	LGA – Firefighter Pension Advisor (minutes)
Jo Donnelly	LGA – Head of Pensions
Helen Fisher	Home Office
Antony Mooney	Home Office
Tantara Fox-Stillwell	Home Office

Claire Hey	Heywood
Tim Hill	Heywood
Matthew Armitage	Heywood
Richard James	Civica

1. Introductions, apologies, and conflict of interest

1.1 Joanne Livingstone (JL) welcomed everyone to the meeting and confirmed that Tony Curry, Cllr Hennessy, Cllr Price, Cllr Chard and Cllr Phillips had sent their apologies.

1.2 JL reminded members of the Board to declare if any new conflict has arisen. No conflicts were declared.

2. Actions arising (12 September 2023) and Chair's update.

2.1 JL introduced the actions from the last meeting.

2.2 Claire Johnson (CJ) then went through and confirmed the current position on each action. Starting at point 2.2. is an action that has not yet been completed. Post meeting was included in [FPS Bulletin 75 – November 2023](#)

2.3 Action 3.23 which was in relation to the AWE error for 2021 and 2022 had been completed and Home Office had provided a [note](#) which was included within [FPS Bulletin 74 – October 2023](#).

2.4 Action 3.29 Board members that were available met on 4 October 2023 with GAD to present the initial valuation results.

2.5 JL suggested under action 3.31 that she writes to GAD about the spreading period.

2.6 Action 4.23 an acknowledgement template letter has been created to cover all scenarios to manage members expectations.

2.7 Action 4.28 the input and output specification has been shared with stakeholders.

- 2.8 Action 4.36 was covered earlier, and the paper has not yet been drafted due to other priorities.
- 2.9 Action 5.10 which related to communications under the Matthews exercise, to manage members expectations - This was covered under the warmup letters.
- 2.10 Action 5.14 was an action for the Home Office to take away to set up a scheme manager stakeholder group. CJ confirmed that she would pick this up in their catch-up meetings.
- 2.11 Action 5.21 related to reasonable endeavours. CJ confirmed that this was discussed with stakeholders. These were then included within the Matthews employer guide and published in [FPS Bulletin 73 – September 2023](#).
- 2.12 Anthony Mooney also confirmed that the second options exercise regulations provide flexibility for any individuals that FRAs are unable to trace, but who materialise at a later point.
- 2.13 Action 5.23 Home Office have liaised with LGA colleagues and confirmed their position on localised assumptions and information was included within [FPS Bulletin 74 – October 2023](#)
- 2.14 Action 5.28 is complete. Eversheds were instructed to create a data sharing agreement, which was published within [FPS Bulletin 74 – October 2023](#).
- 2.15 Action 6.13 is on the agenda later today where the Board will hear from First Actuarial on their assurance findings on the GAD McCloud Tax and interest calculator. Craig Moran (CM) asked for the minutes to be updated to include 'verified' after the word independently.
- 2.16 Action 6.15 the Immediate Choice Remediable Service Statement (IC RSS) will be demonstrated later in the agenda.
- 2.17 Action 6.19 is complete, and the minutes have been published.
- 2.18 Action 6.24 Contingent decision guidance has been published in [FPS Bulletin 74 – October 2023](#).

- 2.19 Action 7.6 this should sit within the LPB Effectiveness Committee and is on the agenda for their next meeting (January 2024).
- 2.20 Action 7.9 JL asked for a list of who the LPB Chairs are.
- 2.21 Action 8.5 this has not yet been completed, but CJ will send the training assessment form around following the meeting.
- 2.22 Action 8.9 this action has not yet been completed. Helen Fisher (HF) did mention that opt out and membership behaviour data would be useful to inform the work that they are currently doing on the review of employee contributions.
- 2.23 JL reflected on the session with GAD on the valuation results.
- 2.24 JL has been looking into the LPB chairs and highlighted the importance of establishing a link into the meetings and engagement with them.
- 2.25 JL has been talking with Tony Curry, the new LPB Effectiveness Committee Chair about the work going forward. There is a vacancy on the Committee, which has been being advertised through the FPS Bulletin. This vacancy has since been filled by James Clarkson from West Yorkshire Fire and Rescue Authority.
- 2.26 JL attended the latest Firefighters Technical Working Group (FTWG), which gave oversight of the areas of difficulty that administrators are facing.
- 2.27 JL particularly reflected on the discussions surrounding which retirement age to include and whether to illustrate the maximum HMRC lump sum or maximum scheme lump sum on the Annual Benefit Statement (ABS) RSS.
- 2.28 JL also highlighted the difficulties in interpreting the HMRC Finance Bill particularly the abolition of the LTA and the pressured timetable to get the RSS templates to administrators to allow for them to produce by the August ABS deadline.
- 2.29 CJ then covered the timelines for when the RSS is needed.

- 2.30 The intention is to link the RSS with the ABS and provided no later than 31 August 2024. Software providers have both said that they need the information as soon as possible. CJ advised that the conclusion of the FTWG was that only one retirement date is included, rather than multiple dates, as it then becomes too much information and could confuse members.
- 2.31 CJ confirmed that we are aware that administrators currently provide multiple dates, but it is important that the ABS RSS is consistent across all FRAs.
- 2.32 CJ provided an explanation between the different maximum lump sums that a member can take and asked Board members whether they had any issues with the recommended approach of providing an illustration to age 60 with the maximum lump sum of the scheme, with a caveat around tax.
- 2.33 HF commented it is important that what is provided aligns with member behaviour, otherwise the information is not useful. HF did agree however that providing only one, rather than multiple illustrations was reasonable.
- 2.34 CJ reflected that whilst member behaviour may be one thing now, it may be different in the future, and providing multiple illustrations will mean potential additional software development costs, therefore it is important that we are mindful of this. The LGA have been working with NPCC colleagues on the drafting of the ABS-RSS template and have agreed that the sensible choice is to provide an illustration to age 60, with a caveat to say that members can ask for alternative estimates.
- 2.35 HF agreed that the template must have longevity.
- 2.36 Glyn Morgan (GM) suggested that the Board could provide feedback to LGA colleagues.
- 2.37 JL highlighted the conversation about data sharing and a consensus was agreed that this should be between FRAs, but that the Board should be sighted on this in case of any request to fund a data sharing agreement.

2.38 CJ said that she was looking to seek advice outside of the meeting, and if needed would bring it back to the Board if needed.

2.39 JL reflected on the Christmas article she has written for the FPS Bulletin or December, where she has used artificial intelligence (AI).

3. Software supplier updates

Heywood

3.1 JL welcomed Claire Hey (CH), Tim Hill (TH) and Matthew Armitage (MA) from Heywood to the meeting.

3.2 MA introduced their [presentation](#) and gave an update since their report at the September meeting.

3.3 MA confirmed that they are planning an extra release in the new year to ensure that everything is out on McCloud that is needed.

3.4 MA confirmed that regular engagement sessions have been held with stakeholders including LGA, NPCC and Bluelight Commercial, and that they have been holding drop-in sessions for their clients.

3.5 JL asked how many people from Fire attended.

3.6 CH confirmed that 10-15 attendees to each session and were from the Fire administration side of things.

3.7 TH ran through the different implementation phases, including the timeline and the solution delivered and whether they had been completed or not.

3.8 JL asked whether there were any categories where there is not a manual work around.

3.9 TH confirmed that administrators must be mindful of certain parts of the process where there is, i.e. the GAD calculators.

3.10 CH caveated that this is also reliant upon all the data being provided and uploaded to the system.

- 3.11 JL said that it was helpful to understand and if lack of, or poor data remains and issue, that this is something that the Board should look at as to how they can support this.
- 3.12 CH went through the other deliverables that they have been working on outside of remedy, including the SCAPE rate factor review, HMT AWE revaluation order issue for 2021 and 2022, developments for the 2024 valuation, Matthews exercise and Club transfer changes. They also reflected on the draft Finance Bill changes which will impact calculations.
- 3.13 MA highlighted the risks and issues which have been identified.
- 3.14 CH confirmed that the work they have been doing on the valuation has been based upon assumptions from the Police specification, which means that they are carrying out software developments at risk.
- 3.15 Philip Hayes (PH) asked for confirmation on what the Club memorandum was.
- 3.16 CH confirmed that Club refers to the public sector transfer club, which allows all public service pension schemes to transfer between each other on more favourable terms. The club document has 90 plus pages.
- 3.17 CH also referenced that there have been some significant changes to account for the McCloud remedy.
- 3.18 TH commented on the fact that it is much more complex than it used to be.
- 3.19 MA summarised the competing factors which impact the McCloud remedy and the reliance upon other resources i.e. the GAD calculator.
- 3.20 CH gave an example of where they must update the output from the system when GAD update the input requirement.
- 3.21 MA covered the testing requirement through their working groups, webinars responding to consultations and providing training sessions to administrators.

3.22 HF observed how reassuring it was to see the amount of work that has been carried out.

Civica

3.23 Richard James (RJ) introduced himself and went through their [presentation](#), summarising their progress to date.

3.24 RJ confirmed that they have working groups and that drop testing is carried out by UAT support and client engagement.

3.25 JL asked whether the software can be used for all calculations.

3.26 RJ confirm that they have prioritised cases, so not all calculations are automated. These have been communicated with clients and workarounds created. This will continue to be developed to become automated. RJ then covered the priorities with regards to statements and remaining deliverables. The usual annual deliverables are being working on that need to take place i.e. pension increase and ABS.

3.27 RJ then covered the technicalities of designing and producing the RSS.

3.28 JL asked about the team changes and whether the resources had been impacted for their work on Fire.

3.29 RJ explained that Civica work on Fire and Police, and that when Jenny Gregory left Lissa Evans backfilled the position.

3.30 JL then asked about development on Matthews and RJ confirmed that this is being developed separately and into next year (2024).

3.31 HF thanks Civica.

3.32 After RJ had left the call JL mentioned that she was not aware that Civica were as developed as they are.

3.33 CJ mentioned that we do not have the same regular engagement with Civica as with Heywood. CJ then asked Helen Scargill how she felt it was going, as West Yorkshire Pension Fund (WYPF) are a Civica client.

3.34 HS referenced that different clients are on different platforms, and WYPF are on an old platform, which means it doesn't support the uploads very well. HS confirmed however that they have an inhouse IT team that support them, and provide workarounds where needed. HS confirmed that the uploads are the same for each client, but how they are then dealt with at each end depends on their IT support.

3.35 JL thanked HS for her input, which was useful to understand.

3.36 CJ said that the software is a concern but that things are moving. The biggest concern is the data, which Heywood alluded to within their presentation. JL felt that we were better sighted on Heywood position from their presentation.

3.37 CJ mentioned that the LGA and FRAs had been receiving press enquiries.

3.38 Des Prichard (DP) then asked who was responsible for the contract for the software suppliers?

3.39 CJ confirmed that it was the administrator.

3.40 DP then asked why something couldn't be done through contract resolution.

3.41 CJ acknowledged that the LGA have a good relationship with Heywood, and they have always given us a heads up when things may take longer and/or if there are additional costs. CJ didn't feel that it was therefore appropriate to go down that route.

3.42 Civica have a different approach and do not believe that LGA should be involved in the same conversations, so are not so engaged with us.

3.43 DP asked whether the Board should be involved in this discussion if the software doesn't provide the correct solution, so that they can help with the appropriate resolution.

3.44 JL agreed and asked whether this should be a discussion to be taken forward.

- 3.45 Mark Rowe (MR) gave a first-hand experience example when requesting pension information from his administrator and reflected on the views of members and their experiences, where the trending issue is with processing timescales and data. MR was hopeful that the issues were affected by 1 October and that the experience will get better.
- 3.46 HF thanked MR for sharing his and other members experiences and suggested that the Home Office take this forward and that this is highlighted on the risk register to be monitored. **ACTION**
- 3.47 CJ reflected that the LGA had provided FRAs and administrators with guidance and template letters to assist them in the process.
- 3.48 CJ also picked up on a particular point that MR had raised with regards to the 28-day interest point that confirmed that the interest changes after 28 days, and that this should be picked up at the point of payment being made.
- 3.49 JL asked whether there are any best practice ideas that could help move this issue forward. JL then asked for the Board to report back, if they had any ideas. **ACTION**

4. Home Office update

- 4.1 HF confirmed that they are starting to scope out the work for updating the contribution bandings – and would like an agenda item at the March Board meeting so that they can get the Board's input at the early stages.
- 4.2 The team have a new head of reward and recognition team to replace Alex – Tom Appleyard, who met Joanna yesterday and is hoping to join the next meeting in March.
- 4.3 HF confirmed that in the 2015 Scheme, it is their view that temporary employments are not eligible to be members of the scheme – The eligibility for the FPS 2015 is clearly defined in the regulations. If the Board would like them to consider a different approach, the Home Office will always review any recommendation from the Board. HF then noted the level of detail that would support the recommendations:

- Characteristic and volumes of the affected
- How are potential members at detriment
- Evidence of any operational impact or workforce planning issues.
- How/why is the proposal a good use of public money, considering our obligation to adhere to protecting public money principles.
- The consideration of intergenerational fairness. What we mean here is the future member and employers will have to meet any costs in future valuation round, how does it help future generations.

4.4 HS reflected that opt outs are at a higher number than they ever used to be, and examples could be provided. HS also reflected on the fact that the compensation cover is not reflective of the risk they take against a wholetime member, and this needs to be factored in.

4.5 HF acknowledged that some of the regulations are based on historic workforce requirements. Home Office would need to establish why FRAs use temporary employment and therefore this also needs to be considered.

4.6 CJ acknowledged the historic nature of parts of the scheme e.g. vesting period and reflected on her previous role and the use of temporary employment. Losing experience when members retired.

4.7 HF said that some employers may use temporary employment so that members do not go into the scheme. This could also apply for re-employing someone if they did not pay into the scheme.

4.8 CH confirmed that that was not the case for the scenarios they were familiar with.

4.9 Philip Hayes (PH) agreed that they use retained services to fill stop gaps.

4.10 MR welcomed this conversation and would be happy to feed in the information that they have encountered from members.

McCloud/Sargeant remedy

4.11 HF confirmed that they are making some initial McCloud amendments to correct some drafting errors and provide further clarity on ill health retirements for special members. They also noted some further items raised around the McCloud regulations, which are under consideration and will determine if further amendments are required.

4.12 HF also confirmed that the amendment regulations should be laid on 18 January 2024.

Matthews remedy

4.13 Home Office is still working through the outstanding aggregation issue and will update the Board when a final position has been reached. There are also some technical queries that have been raised which the Home Office is currently considering whether further amendments will be required (such as conversion options for special deferred members). Home Office will update the Board when a final position has been reached. Home Office is also in contact with FRAs to determine whether an interim AME grant payment will be required in the current Financial Year to help fund pension costs in respect of Matthews remedy.

4.14 HF reflected on if FRAs are asking for further data from other FRAs whether this would constitute a new data set which needs reporting to the Information Commissioners Office (ICO). HF said she would be happy to discuss with LGA colleagues out of the meeting, but FRAs would need to ensure that their privacy notices were updated. **ACTION**

AWE uplift and carer's allowance

4.15 Home Office is currently consulting the Board on changes to the 2015 Scheme regs to correct AWE errors for 2021 and 2022 and to amend the scheme to provide for an entitlement linked to the carer's allowance act.

Valuation

4.16 This is now with the new Government Actuary to sign and they expect that it will be published in early January. Nothing has changed from the previous draft results and they do not expect it to.

4.17 HF confirmed that the increase in employer contributions from April 24 will be fully funded for the Financial Year 2024/25. HF also confirmed that the Home Office are lobbying with HMT to provide funding to help with the McCloud administration costs.

5. LGA update

5.1 CJ gave a high-level overview of the update paper.

5.2 CJ confirmed that the LGA have done out for a second round of recruitment to fill the vacancy.

5.3 CJ reflected on the AGM, which was a great couple of days and the feedback that has been receive they are looking to take onboard for the next one.

5.4 CJ went on to address the Board and confirm that they would welcome and feedback that they had, or any ideas to improve the event.

McCloud/Sargeant

5.5 The LGA team have been working with stakeholders with a lot of work covering both Police and Fire, we have been working with the NPCC on guidance and supporting documents.

5.6 It has been recommended to Home Office that an additional contingent decision is needed to cover unpaid leave, where a member may have decided not to pay it back as they were in the FPS 2015 but would now want to if it would count towards their legacy scheme.

5.7 The team have been facilitating information to stakeholders within the Fire sector through coffee mornings and monthly bulletins. They have also

created an informal drop-in session with FRAs to discuss any issues that they have been facing where they can help.

Looking forward to 2024

5.8 The LGA team are working with NPCC and Home Office to establish what compensation looks like and are in the late stages of drafting compensation guidance.

5.9 An immediate detriment working group has been set up with the view to draft guidance for FRAs who implemented immediate detriment, and need to adjust now that the regulations are in force.

5.10 The team are continuing to work with Clay 10 on the developments of the remediable service statements (RSS) and a demonstration of the RSS can be demonstrated at the end of the meeting, if time allows.

5.11 An implementation meeting has been set up with Home Office to discuss any issues arising out of the Matthews implementation.

5.12 Discussions were had at the last technical working group about the need to widen the regulations for deceased members that should be included within the Matthews exercise and the group have asked Home Office to consider this.

5.13 GAD have provided a run through of the Matthews calculator, so they attended a coffee morning to demonstrate to stakeholders ahead of the launch.

5.14 The second version of the calculator is due in January 2024.

5.15 Information was included within the [FPS Bulletin 76 – November 2024](#) to inform stakeholders that implementation data will be requested on a quarterly basis. This is to help understand how far FRAs are along the process.

5.16 There are ongoing discussions between Government and FBU lawyers with regards to the aggregation claim, therefore there is not really anything to update the Board on with regards to this.

5.17 They had attended a meeting with the pension dashboard programme and DWP where they discussed the draft implementation plan and the suggested timeline for public service pensions to onboard is September 2025. They are looking to consult on the connection guidance in Spring 2024.

5.18 HF thanked LGA colleagues for their help in implementing both the Matthews and McCloud/Sargeant remedy and said that they thought the communications to stakeholders have been good. HF also reflected on how the relationship within Home Office and LGA is at its best.

5.19 JL seconded these thoughts.

6. First Actuarial – Review of GAD tax and contribution calculator

6.1 James Allen (JA) gave an overview of their paper on the review of the calculator. They confirmed that they have covered a range of different scenarios individually and in bulk.

6.2 HF thanked First Actuarial for their review and agreed that their suggestions seemed sensible.

6.3 JL thanked both JA and Craig Moran (CM) for their work on the review and asked how it is best to take the suggestions forward. JL suggested that First Actuarial contact GAD directly to discuss the suggested changes.

6.4 The Board agreed. **ACTION** for First Actuarial to take this forward with GAD.

6.5 JL then asked the Board whether there were any other models that the Board may want to test for reassurance.

6.6 CJ confirmed that this may be relevant for the Matthews calculator as there are complexities where some cases may go back to the 60s. There is also a compensation element built in for tax relief, and individuals will be able to change their conversion options.

6.7 PH asked whether there is an option for periodical contributions.

6.8 CJ confirmed that there are two options, either by lump sum or by periodical contributions. The periodical contributions can also be over either 10 years or 20 years depending on which period of service they are repaying from the first or second options exercise.

6.9 PH asks what defines the difference.

6.10 CJ confirmed the dates 7 April 2000 - 30 June 2000 (and before) over 20 years, 1 July 2000 to 5 April 2006 over 10 years.

6.11 JL reflected that whilst they were not quorate, she would like this to be discussed further.

6.12 CJ agreed to take this forward as an action. **ACTION**

7. Government consultation - Amendment to the Firefighters Pension Scheme (England) Regulations 2014

7.1 JL introduced the draft consultation response and confirmed that the consultation was closed and only open to the Board.

7.2 JL confirmed that the Board had received advice from the technical working group, Weightmans and First Actuarial, in their role as advisers to the Board.

7.3 Mark Poulston introduced their advice to the Board and provided a brief overview.

7.4 JL asked the Board whether they were happy with the draft.

7.5 CJ confirmed that the Weightmans advice would be sent alongside the response.

8. FPS Bulletin demonstration

8.1 Tara Atkins gave a demonstration of where the Bulletins are located on the FPS regulations and guidance website.

8.2 TA also confirmed how they locate the information from other sources to be included within the bulletin alongside the relevant fire pension updates on policy or guidance as appropriate.

8.3 GM, MR and DP reinforced how useful the bulletins are and DP raised the importance of communicating the bulletins to other relevant parties.

9. Local Pension Board Effectiveness Committee

9.1 JL gave an update in Tony Curry's absence and confirmed that the meetings are recommencing in the new year.

9.2 JL also confirmed that the LGA colleagues are looking to change the way in which the LPB training is delivered.

9.3 CJ then gave a summary of how the training is currently carried out and what was hoping to be introduced. This will include the Board chair and the LPB Effectiveness Chair input.

10.AOB and date of the next meeting

10.1 Dates of the forthcoming years meetings:

- 21 March 2024 (In person)
- 12 June 2024 (MS Teams)
- 12 September 2024 (In person)
- 12 December 2024 (MS Teams)



Actions and agreements

21 March 2024

Location: 18 Smith Square, Westminster, London, SW1P 3HZ

PRESENT

Joanne Livingstone	SAB Chair
Philip Hayes	Scheme Member Representative (FRSA)
Pete Smith	Scheme Member Representative (FBU)
Andrew Scattergood	Scheme Member Representative (FBU)
Tony Curry	Scheme Member Representative (FBU)
Glyn Morgan	Scheme Member Representative (FOA)
Andrew Hopkinson	Scheme Member Representative (FLA)
Cllr Hennessey	Scheme Employer Representative (LGA)
Cllr Chard	Scheme Employer Representative (LGA) (MS Teams)
Helen Scargill	Technical Advisor
Craig Moran	First Actuarial
Mark Poulston	Legal Advisor
Claire Johnson	LGA – Senior Firefighter Pension Advisor
Tara Atkins	LGA – Firefighter Pension Advisor (minutes)
Jo Donnelly	LGA – Head of Pensions
Jamie Osowski	LGA – Fire Workforce Advisor
Tom Appleyard	Home Office
Antony Mooney	Home Office
Simon Primmer	Home Office
Brian Allan	Government Actuaries Department (GAD)
Rob Fornear	Government Actuaries Department (GAD)

Claire Hey	Heywood (MS Teams)
Tim Hill	Heywood (MS Teams)
Matthew Armitage	Heywood (MS Teams)
Richard James	Civica (MS Teams)

1. Introductions, apologies, and conflict of interest

1.1 Joanne Livingstone (JL) welcomed everyone to the meeting and confirmed that Mark Rowe, Des Prichard, James Allen, Cllr Byrom, Cllr Price, Cllr Bierderman had sent their apologies.

1.2 JL reminded members of the Board to declare if any new conflict has arisen. No conflicts were declared.

2. Actions arising (14 December 2023) and Chair's update.

2.1 JL introduced the actions from the last meeting.

2.2 Claire Johnson (CJ) then went through and confirmed that there were six actions from the last meeting and provided the current position on each action. Risk register – to include an additional risk relating to remedy information not being provided to administrators in a timely manner. This has been completed and the risk register has been republished on the [FPS Board](#) website.

2.3 Data concerns – LGA and Home Office colleagues discussed during their usual catch up, and no further action was needed.

2.4 Review of Matthews calculator – CJ to seek Board members approval for First Actuarial to review the Matthews GAD calculator. This has been completed and First Actuarial are reporting back later in the agenda.

2.5 Review of McCloud calculator – First Actuarial to report their findings from their review to GAD. This has been completed.

2.6 Training needs - CJ to share the training analysis form to Board members to complete. This was sent on 20 March 2024.

2.7 JL commented that there are useful links within the training analysis form, which can allow for Board members to assess some of the training immediately.

2.8 JL provided an update since the Boards last meeting.

2.9 Scheme Management and Administration (SMA) Committee and the Local Pension Board (LPB) Effectiveness Committee have both met. The SMA Committee discussed the content of the Administrator survey which was sent out to administrators on 5 March 2024. The LPB Effectiveness Committee approved the 'new look' LPB training and reviewed a sample of LPB agendas with the view of updating the template agenda.

2.10 JL then provided an update on the work that the Board have been doing, which included reviewing the terms of reference (ToR) of the Board. JL reflected that there is no term included within the ToR and this is something that the Board may wish to include. JL also discussed how the Board may wish to bring in more operational knowledge to include a scheme manager and NFCC representative.

2.11 JL confirmed that the intention wouldn't be to increase the size of the Board, but instead look to achieve this through natural wastage. Being mindful to the fact that there may be a political view of this change, and therefore this is still being looked into.

2.12 JL asked the Board to comment on this approach. No comments were received.

3. Home Office update

3.1 Simon Primmer (SP) provided an update as to what the Home Office have been working on.

- 3.2 SP reflected that they have been working closely with LGA colleagues on policy issues and discussions which they are very grateful for.
- 3.3 SP confirmed that they have been working with LGA colleagues to try and resolve the issue surrounding tax on interest with HM Treasury (HMT) and HMRC.
- 3.4 The regulations to update on the AWE revaluation issue and Carers Leave have been laid and comes into force from 27 April 2024. SP thanked the Board for their input into these changes.
- 3.5 SP reflected on the forecasting process and the work they have been doing.
- 3.6 Matthews Sargeant funding – limited data available so in the interim they will be collecting data with GAD for the forecasting piece to make sure that payments can continue to be made. Like with any forecasting it is important that this is as accurate as it can be. It is important that there is relevant coverage and making sure that there are no cash flow issues. Guidance will be provided for FRAs. SP thanked LGA team for their input into this.
- 3.7 The Home Office pensions team are carrying out a piece of work on planning, with regards to policy priorities, to ensure that the correct items are being covered. This will not affect any ad hoc items that come up. Once the plan has been completed this will then be shared with the Board.
- 3.8 Cllr Hennessey (NH) asked for confirmation on the timeline of this. SP confirmed that internally this will be presented in April, so is likely to be shared in May.
- 3.9 Tom Appleyard (TA) confirmed this, and that they are looking to work more efficiently within the team.
- 3.10 SP said that he is looking to put a plan on a page.
- 3.11 JL asked whether Home Office had any indications on when the tax implications will be resolved.

3.12 SP reflected that the LGA team are included in the same conversation as them. They would like to hope that this will be imminent. CJ reflected those stakeholders across the LGA, Home Office and NPCC teams have been very vocal about the need for this to be resolved.

3.13 TA confirmed that this has been raised at ministerial level as well, and he believes that the minister is aware of the importance.

3.14 JL referenced forecasting, and GADs involvement does this allow for FRAs to not provide robust forecasting.

3.15 Rob Fornear (RF) confirmed that they have been asked to look at this locally, rather than just nationally.

3.16 Anthony Mooney (AM) then provided an update on the budget cover for Home Office and cashflow for FRAs - GAD have split Matthews and Sargeant for each FRA. 80% will be paid as part of the normal top up grant. In the autumn they will then need to establish whether they need any further budget cover and Home Office will look to provide any additional top up accordingly.

Matthews – Policy proposed amendments

3.17 AM covered the Matthews – [policy amendments paper](#). A summary of the proposed changes was provided which include:

- Deceased individuals – pension payments
- Deceased individuals – survivor benefits
- Conversion options for Special Deferred members
- Individuals who joined the standard FPS 2006 and opted out prior to 1 April 2015 – unable to purchase special service during the opted-out period
- Survivor's death grant in respect of new cases on or after 31 March 2025

3.18 AM confirmed that the LGA team flagged that there were some gaps within the regulations, where the exercise did not cover all parties, but the main

stakeholders affected are deceased members, who would have received a pension before they were deceased but there is no cover for this for their dependents. There is also a gap for survivors benefits where the member would have been able to purchase pre-July 2000 service, but the regulations do not allow for a survivor's benefits.

3.19 There are some members where they would have been able to convert service, however the regulations do not allow for this for deferred members.

3.20 Survivors' death grant, where there is cover for survivors could claim after March 2025 and there would not be any provision for the benefit. The paper sets these out.

3.21 Tony Curry (TC) asked whether this has been shared with the service.

3.22 AM confirmed that they should not have received it, but it does expand on some areas which are included within the remedy.

3.23 TC raised a query which is covered by this.

3.24 CJ reflected that the sector has raised these queries with the LGA team, and the team have then raised them with Home Office.

3.25 JL asked how the process will work for consultation.

3.26 AM confirmed that once the policy position is agreed internally, then the draft amended regulations will need to be consulted on. They are looking into whether they can recommend that they are implemented before the regulations have come in.

3.27 JL asked AM why he looked so concerned about the deferred conversion and whether this is due to the complexities of the calculations.

3.28 AM confirmed that it is also about the tax implications for the different cohorts.

3.29 GAD confirmed that they would be looking to include these within the calculator.

3.30 NH asked whether we know how many cases there are that are affected.

3.31 AM confirmed that Home Office would need to work with the LGA team to identify the numbers.

3.32 CJ said that it is our understanding that there are cases across most FRAs, but they are minimal.

Employee Contributions review

3.33 RF from GAD introduced their [presentation](#) on the employee contributions review, who have been working on behalf of the Home Office. RF split the presentation into where they are with the valuation results and then the employee contribution review that is required following this.

3.34 RF confirmed that employee rates have been in place since 2015, each valuation they must forecast the income from the employee contributions and whether this is below or above the target yield. 13.2% was decided upon for the employee rate. Once the difference was identified this was then taken to HMT to ask what they want to be done, and they confirmed that they want the target yield to be met in the future.

3.35 Craig Moran (CM) from First Actuarial asked whether GAD know why the yield has drifted, if the bands were set for the scheme.

3.36 RF said that the rate was set as an average for the 3 schemes, now that there is just one scheme (FPS 2015) this has changed because you don't have the higher rate of the FPS 1992.

3.37 On the back of HMTs instructions GAD have been asked to cover what the changes may be.

3.38 RF explained that if you were to increase all rates by 0.2% which would cover the target yield, however as the bands have been fixed for the last 6 years, members earnings are already drifting away from the bottom band. It should be noted that the banding is based on full time equivalent (FTE) so

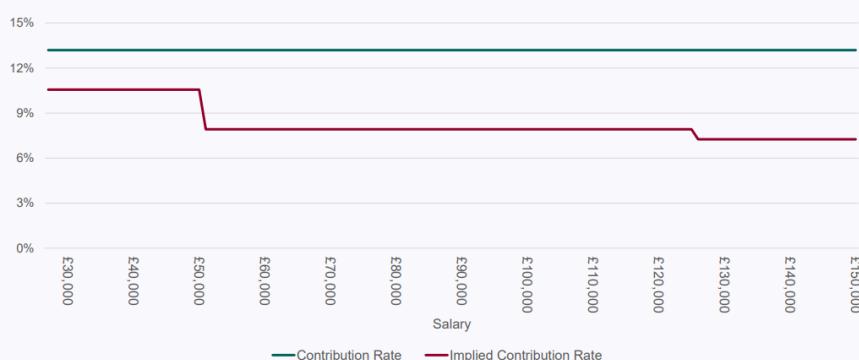
those where that information is not available, they are assumed to be within the 2nd band.

3.39 RF confirmed that if the bands were changed in isolation this would still result in having a band which is not used.

3.40 RF highlighted four areas that are being considered, Rate payable, GAPs between the different bands, band thresholds, number of bands. They all have pros and cons. GAD have worked up some examples. RF confirmed that the new rates would come into force from April 2025.

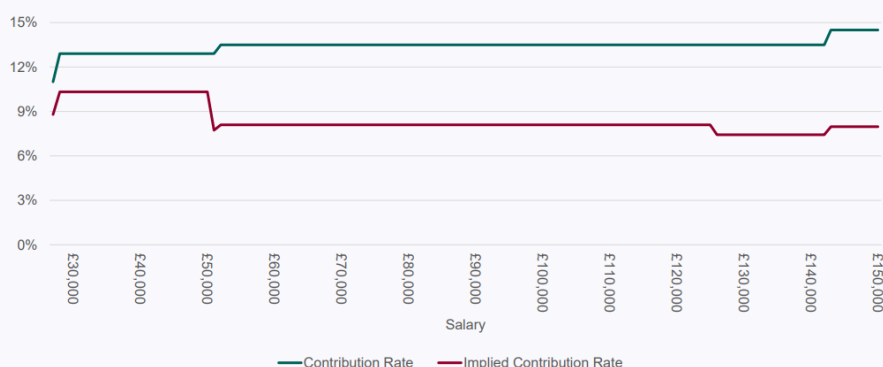
3.41 The graph shows what would happen if a single percentage was added to each band.

Why a tiered structure?



- Due to being in a higher tax band and pension contributions attracting tax relief, higher earners see the most benefit from a flat rate with take-home pay being reduced by a lower proportion.

Why a tiered structure?



- A tiered structure can be designed to somewhat level the implied contribution rate.

3.42 The current tiers, the tax relief you receive is higher. Whilst easier to implement it is not proportional between higher and lower earners in terms of tax relief.

3.43 Bumping up the lower banding needs to be the right increase, otherwise you would still see a banding which is not used. If you add in a further banding, this will bring more into the banding but would not necessarily increase the income from the contributions so would not meet the target yield.

3.44 Future proofing is important to be considered. The easiest way to do this is by increasing the bandings to follow the salary changes. You could do this either by a fixed rate or link the increase to the salary increase.

3.45 RF referenced that the paper included 5 things to consider:

Considerations

How many bands do you think will align with the current pay structures?

Are there any proposals on how to ensure the bands do not become out of date quickly?

How often should Home Office review the employee contribution bandings?

Would you like to consider current member behaviour and use this as an opportunity to increase participation?

Are there any other proposals in relation to contribution bandings SAB would like us to consider?

3.46 SP confirmed that there is no specific agenda for how the target yield is met, just that it is met.

3.47 Discussion was then opened to the board.

3.48 Phillips Hayes (PH) asked about stability of the workforce.

3.49 RF confirmed that the shape of the membership is considered assuming that when someone leaves someone joins.

- 3.50 This is used as a general assumption within the valuation, it is a necessary assumption to keep the valuation going, but they know it does not always map out like this in the real world.
- 3.51 TC agreed that it does not always work in the real world, and some positions remain vacant for a long period of time.
- 3.52 PH asked whether the yield remains throughout the valuation.
- 3.53 RF confirmed that it does, and the valuation is the only way to change the target yield.
- 3.54 RF confirmed that the total cost of the scheme less the member rate which leaves the employer costs.
- 3.55 CM confirmed that the employer rate has been set based on an employee yield of 13.2%
- 3.56 RF confirmed that members will need to pay 0.2% more.
- 3.57 The employer rate has increased significantly over the past 10 years.
- 3.58 2020 data was taken and projected forward.
- 3.59 It is being done as a percentage of salary, which means they are worth a bit more, and it is based on FTE.
- 3.60 FBU collectively referenced that pay increases have been included, but what have GAD assumed this to be.
- 3.61 RF confirmed that they include increases known to date and then the same as that used in the valuation (3.8%) for future years.
- 3.62 CM agreed that the lower band is not being used currently. It is more important to consider whether individuals that are on a lower pay are joining the scheme.

3.63 The banding is good, but it is about making sure that if someone gets a promotion that they are not then tipped into the next band and ends up with a lower take home pay.

3.64 JL referenced opt out data, and that the LGA team have collated data on this, but the data was not complete in terms of individuals providing a reason for opting out. JL then asked the Board whether there was any feedback on why people opt out.

3.65 FBU collectively referenced that it is more about new recruits not joining in the first place for date of joining.

3.66 CJ reflected on her experience at West Yorkshire, and that for some firefighters they join on a lower pay, and therefore having pension deducted reduces this further, so they do not join and then they get used to this so do not join at all.

3.67 FBU collectively referenced that they are starting to witness that firefighters are not joining the fire service for a full career, and they only join for a period of time e.g. 5 years and then leave.

3.68 Andrew Scattergood (AS) referenced that they see the same experience that they are joining to get the badge and then move on to something else. AS suggested that if we know the demographic, can we survey them as to why they do not join or stay in service.

3.69 Helen Scargill (HS) suggested is there a need that when a firefighter becomes competent, that they are provided with appropriate information so that they understand the other benefits of the scheme including the death benefits, injury and compensation scheme.

3.70 HS reflected that you could understand why trainees may not want to join, but when they become competent their pay increases.

3.71 CM agreed.

- 3.72 NH suggested that communicating the real financials in terms of the tax relief so that members understand the real position.
- 3.73 CJ suggested that the LGA could produce a template induction that FRAs could use to provide to their new recruits.
- 3.74 HS said that she could share what they use at WYPF **ACTION**
- 3.75 CJ also picked up on the targeted information for competent firefighters so that this can also be provided by the FRAs. **ACTION**
- 3.76 Brian Allan (BA) agreed that members do not necessarily understand the benefits of being in the scheme.
- 3.77 TC said that affordability also needs to be considered and factored into why firefighters do not join the scheme. Experience is that word of mouth is what firefighters listen to but agrees that communications when they become competent and no longer in training will be valuable.
- 3.78 HS confirmed that she believes it is really important to get the communications across in more than one way e.g. slides and visually pleasing. So even if the slides aren't presented to them, they can have explanation.
- 3.79 CM reflected on the opt out issue. However, what is being suggested regarding the change in contribution bandings may help to address this.
- 3.80 RF reflected on the discussion items at the end of the paper.
- 3.81 SP said that they are open to the suggestions, and agree that the affordability piece is important, and that we need to move with the times, and ensure that it is fit for the future. Communications are important as well. We need to be mindful though that we must meet the target yield by April 2025.
- 3.82 HS reflected that if the bottom banding only hits trainees, and they do not stay their very long, so should the banding be reflective of the salary rate. Otherwise, that banding is redundant.

- 3.83 The board discussed what they think is relevant, including who the bands cover in terms of roles, and is this intentional.
- 3.84 Pete Smith (PS) raised a political discussion with regards to if the pay increases end up being higher than the assumption rate, how will this impact the bandings.
- 3.85 PS then asked whether the bandings could be reviewed linked to the salary increase.
- 3.86 RF reflected on the fact that the contribution banding increases are set into the regulations, so you would have to change the regulations each time.
- 3.87 CM suggested that the wording within the regulations could reflect that it is increased in line with Average Weekly Earnings (AWE).
- 3.88 HS reflected that this is built into the LGPS regulations, and the wording is sufficient that each year you just increase the bandings by the appropriate increase.
- 3.89 CM confirmed this is the same in teachers.
- 3.90 Jo Donnelly (JD) confirmed that used to be the same for NHS, but then they removed it.
- 3.91 BA said that this is common within the public sector to try and make it move with the times, and if it is included sufficiently within the regulations then it makes it an easier process.
- 3.92 JL reflected that the group seem to all agree on an automatic increase to bandings being built in. Although consideration of promotions and the impact also needs to be taken. JL also reflected that the cost effectiveness committee could consider this.
- 3.93 JL asked Home Office whether this provided enough information to help move forward.

- 3.94 SP said he was happy to discuss this internally and understand what data could be collected to make the discussions meaningful.
- 3.95 CM asked if impact on membership could be included within their proposal.
- 3.96 HS reflected that where the bandings had not been increased, when they received a higher pay award this moved individuals into a higher banding, so this also needs to be considered.
- 3.97 Glyn Morgan (GM) asked whether if they looked at the pay awards that have been applied and could be applied against the bandings to allow them to be brought up to date.
- 3.98 RF agreed that this is something that could also be a consideration to bring them up to date.
- 3.99 AM asked GAD what they would like SAB to do.
- 3.100 RF asked the board provide feedback on where the lines should be drawn in terms of where they think individuals should pay more.
- 3.101 BA reflected on the overall conversation and that has been useful to understand the discussion on trainee firefighters etc.
- 3.102 AM asked GAD in relation to whether the contributions could be worked out like a tax system.
- 3.103 The board discussed whether this would be achievable for FRAs to implement. It was agreed that as tax is dealt with in this way, could this be an easy element to implement.
- 3.104 CJ asked whether the consultation would only go out to SAB or to everyone.
- 3.105 AM suggested that it could just be SAB, but this would need to be discussed internally and confirmed. **ACTION**

4. LGA update

4.1 CJ introduced her [paper](#) and provided the highlights.

4.2 The LGA are pleased to welcome a new member of staff, Sandra Sedgwick, who is coming from Cumbria.

Sargeant Implementation

4.3 CJ confirmed that the team have been working closely with Home Office and have a weekly meeting on the remedy implementation. In December the Immediate Choice Remediable Service Statements (IC-RSS) were published. In January it was identified that there were some unidentified tax implications on interest over the commercial rate. LGA discussed this with stakeholders and a decision was made to pause the roll out of implementation and production of IC-RSS. The pause was put in place on the 27 January, on the basis that this would be resolved as a priority by HMT. A response is still awaited in resolution on this.

4.4 There are complexities involved with the tax on interest issue which we have never dealt with, but from HMRC's perspective this is Business as Usual (BAU). The risk is that by paying interest over the commercial rate this could put certain payments in the bracket of an unauthorised payment.

4.5 CJ reflected on the pressure that is being put on Chief Fire Officers (CFOs) and administrators from members as to when the pause will be lifted.

4.6 CJ also reflected on the message that was sent to Board members around the three options with regards as to how to take these cases forward. The three proposed options are as follows:

Option one – Continue with the pause until full clarity has been given on all outstanding process issues and the GAD calculator is available.

4.7 Being aware that there is no set timeframe for when the GAD calculator will be available. The calculator is expected to provide consistency when calculating the tax on interest. Additionally, there are considering some

members who are owed significant sums of money. Finally, CJ confirmed that there were concerns of appeals being made to the Pensions Ombudsman, they may take a negative view of maintaining a pause.

Option two – Lift the pause, instruct administrators to pay the arrears of pension/lump sum (including 8% interest) and put the pension right going forward.

4.8 Without the GAD calculator this could cause problems with inconsistency and administrators may take a different approach to the calculations. Members may have to self-assess to deal with the tax, and the groups of members that FRAs are looking to have dealt with by March 2024 are the most vulnerable as they are already suffering from ill health. Additionally, there are still policy questions outstanding with HMRC and HMT.

Option three – Lift the pause, instruct administrators to pay the arrears of pension/lump sum and put the pension right going forward, but exclude interest on such arrears for the time being.

4.9 This option allows for the arrears of pension and lump sum to be paid and the pension to be put right going forward. The interest on arrears of pension/lump sum would be excluded until clarification from HMRC is received. Whilst there is a potential unknown tax liability, this option appears to have the limited risks associated with it.

4.10 CJ thanked Board members who responded and confirmed that those who had responded agreed with option three. LGA tested this the Technical Working Group, and the issues raised were:

4.11 Implications of having to rework the cases, which have not been factored into their remedy implementation plans and have asked whether the rework could be carried out after 31 March 2025.

4.12 Members being given the option as to whether they want to wait until the guidance has been received, or whether they take option three.

- 4.13 By doing this could there be a further tax implication, and if there is, is this fair on the member. It was suggested that FRAs may underwrite the tax burden that may arise.
- 4.14 In terms of going forward, LGA received feedback from the sector with regards to the first priority group, that very minimal cases have been processed, and therefore flexibility was applied, and the timetable has been amended for the first two groups to 30 June 2024.
- 4.15 We have been working with Home Office around the remedy compensation guidance, to include the funding and how they work through cases where compensation is payable.
- 4.16 JL thanked the LGA Fire team for holding the fort whilst the team have been a member down.
- 4.17 JL asked the board for their feedback.
- 4.18 Taking the first point, JL thought that it seems a long time to wait to put it right until after 31 March 2025.
- 4.19 HS gave an administrator's position, that they would struggle due to resource to revisit the cases as they are prioritising getting the RSS' out to those cases by the legislative deadline.
- 4.20 CJ reflected that it depends on which cohorts are processed in this way. If it is just the ill health cases, then that would be lower. If you are looking at the other cohorts, these are higher numbers, but if the position is resolved timely, they may not need revisiting.
- 4.21 CJ flagged that there is a concern over consistency between each FRA dealing with them in the same way.
- 4.22 AS reflected that they have had cases where members are severely anxious about whether they are going to receive the correct benefits when they retire. AS also agreed, that he would support option three.

- 4.23 CJ raised concerned that this could end up in the same position as Immediate Detriment where each FRA would decide to support this or not, which causes inconsistencies across the sector.
- 4.24 AH reflected their FRA would not be able to underwrite the tax liability, due to other financial pressures.
- 4.25 CJ reflected on the reputational damage to LGA and the implementation remedy.
- 4.26 CJ asked GAD where they are with the interest calculator.
- 4.27 RF said that they have an interest calculator, but they cannot finalise this until they had a definitive as to what the outcome of the tax issue is, as this impacts what figure you put in the calculator.
- 4.28 CJ reflected that HMT have a solution which should be put in writing shortly (although no timescales given).
- 4.29 RF confirmed that this is what they are waiting for to allow them to amend the calculator. They will then need to work on the calculator to amend it before it can be published.
- 4.30 HS reflected that if the answer is net, then this will double the time of processing a case as administrators will need to then identify additional information including net pay and tax codes.
- 4.31 RF confirmed that if it is net, there will need to have a lot more inputs.
- 4.32 NH asked what the difference is between net and gross.
- 4.33 HS explained this.
- 4.34 NH asked the chair whether they can write to the HMT.
- 4.35 Tom Appleyard (TA) confirmed that any lever that can be pulled will be of benefit.

4.36 JL confirmed that she was happy to write to HMT. This will be shared with Board members. **ACTION**

4.37 AS raised the concern of the unquantified risk and asked CJ about the legal aspect with regards to the powers that HMT had.

4.38 CJ explained that HMT directions were to pay 8% but no consideration was given about tax, and there was no direction on this. The exploratory work is about ensuring that HMT have covered everything that they have in their gift to resolve this. There are different options as to how this can be taken forward e.g. SAB or scheme managers.

4.39 JL suggested that it should be the scheme managers.

4.40 CJ said that this will be taken forward with NFCC **ACTION**

4.41 HS reflected that they would feel happier if they had SABs support to revisit the interest position after 31 March 2025.

4.42 JL and CJ discussed this and raised concerns that this probably should be a decision between scheme managers and their administrators.

4.43 The board agreed.

4.44 JL confirmed that the board would like to ensure that members are communicated with to ensure they understand what is happening.

4.45 FBU collectively reflected that it doesn't seem that there is an ideal solution either way, and there is a risk of future litigation. They support that HMT needs to be challenged on this.

4.46 JL confirmed that the letter will cover the risks and what is trying to be achieved, but without confirmation this cannot be done.

4.47 HS agreed and said that the timelines need to be referenced and that due to inadequacies they are shortening the timescales for administrators to complete the exercise. This in turn may mean that the timeline is breached,

and what does that mean in terms of consequences. More importantly members are affected.

4.48 CJ reflected on the priority groups and that where some are ill or are beneficiaries, that this could have a negative impact on their health.

4.49 JL asked what the realistic position of members deferring the payment.

4.50 The board then discussed this and reflected that under Immediate Detriment members choose to wait as there are too many unknowns.

4.51 The board agreed that members should be given a choice.

Matthews

4.52 CJ confirmed that data has been collected for the first quarter (1 October 2023 – 31 December 2023) of the remedy exercise, and a request will be sent for the next quarter (1 January 2024 – 31 March 2024) in March's bulletin.

Litigations

4.53 The Matthews aggregation claims have been stayed until January 2025.

2020 Valuation

4.54 The valuation results were announced in December 2023 and published to the sector within the [FPS Bulletin 76 – December 2023](#) and the employer contribution rate will increase by 8.5% to 37.6% and the funding is being provided for the first year by HMT.

5. SAB Subcommittee updates

SMA Committee

5.1 CJ ran through a [presentation](#) with the Board.

5.2 The committee met in February 2024 where they discussed concerns over the implementation of remedy, and the impact on BAU.

- 5.3 The committee thought it would be good to take a temperature check of where administrators, FRAs and software suppliers are with the implementation.
- 5.4 A survey was sent to administrators on 5 March 2024 and was broken down into areas that covered administrators, FRAs and software developments.
- 5.5 Two FRAs administer their own administration, and these were not asked to provide a response at this time.
- 5.6 Three administrators have responded, Cornwall, Oxfordshire and LPPA.
- 5.7 Cornwall and Oxfordshire reported that they recruited one extra person, and LPPA have recruited ten extra people to implement remedy. This is reflective of who many FRAs that they administer.
- 5.8 Oxfordshire reported that they are prioritising retirements and deaths BAU cases, and that they have other people working on the BAU and others working on remedy.
- 5.9 LPPA reported that they have a remedy project plan and hold regular meetings with those involved in the project. They have also recruited for additional members of staff and are engaging with clients with regards to managing BAU work.
- 5.10 The three administrators confirmed that they are looking to provide a combined ABS-RSS.
- 5.11 The areas that they raised as areas of concerns are unknown tax implications, the need for example calculations, IC-RSS timetable extension and outstanding unknowns.
- 5.12 Blockers to meeting RSS timeline were raised as software capabilities, FRA data delays and testing of the RSS templates.
- 5.13 We asked about whether there were any specific concerns over the FRAs that they administer, and the responses were overall positive.

5.14 CJ reflected on conversations that have already been had with LPPA that they are having issues with some of their clients, whereas the survey suggests otherwise.

5.15 The feedback on software suppliers was that the experience with Civica was not positive, reporting delays and the need to create own workarounds. Whereas for Heywood it was a different picture reporting good functionality, and workarounds being provided, whilst there is still functionality that is due to come i.e. ABS-RSS and load and storage of GAD outputs.

5.16 The LGA's plan is to report this back to the SMA committee, where they will be provided with more concise detail of the response, and we will look to what support can be given.

5.17 CM asked whether the lack of responses is down to people being known offenders or whether it is down to lack of time to complete it, or something else.

5.18 CJ reflected that we would like to hope that it is due to lack of time. The SMA committee are likely to want to go back to those who did not respond.

5.19 HS confirmed that WYPF have completed it, so she was not sure where it was and was chasing this for us.

5.20 NH asked whether the survey had been publicised to administrators.

5.1 HS confirmed that they contacted their clients to say that they were completing the survey and would be naming any FRAs and confirmed that this was so that LGA could provide support.

LPB Effectiveness Committee

5.2 TC provided a verbal update to the Board.

5.3 There had been some time since a meeting had taken place, so a meeting was held in January 2024, where they discussed how they could provide support to LPBs. The first thing that they looked at was obtaining additional resource for the committee.

5.4 One of the areas that they were looking at was to provide peer reviews of LPBs.

5.5 LGA had taken an action away as to what should be on the agenda.

5.6 It was agreed that central training would now take place, which has been put in place, with the first session on Tuesday 26 March. The training will include an update from TPR, PDP, Chair of LPB effectiveness and Chair of SAB.

5.7 SAB members are welcome to observe the training.

5.8 CJ confirmed that we would like to hold another meeting with the committee after we have had our first training session.

5.9 One of the training sessions will be face to face on the same day as the governance day of the Fire AGM.

5.10 HS referenced that she attends each of her clients LPB sessions and she tries to make them consistent with regards to what they cover and documents they should have in place.

5.11 JL suggested that other members of the board may want to help the chair in attending LPB meetings.

5.12 It was discussed whether there was a need for a regional group for LPB chairs, but no specific outcome was agreed, therefore this will be taken to the next committee meeting.

6. GAD update

6.1 BA provided an [update](#) on the Matthews exercise and the 2024 valuation timescales.

Matthews Project update

6.2 The calculator has been released in two parts, with the support of a key group of FRA stakeholders to help test the calculator, which has been helpful.

- 6.3 The data that has been collected from FRAs as to where they are with the implementation of Matthews remedy is useful, and reflective of where they expected FRAs to be, and assumed for the valuation.
- 6.4 They do not expect to receive a full picture of the data until later in the year.
- 6.5 BA reflected the cases that they expected would not be included within the calculator, but that they do not have any idea of the number of these cases.
- 6.6 GAD want to try and get as many calculations done out in the sector, rather than they all be sent back to GAD for calculating.
- 6.7 BA reflected on the coffee morning that GAD attended to discuss the calculator. They used the feedback from this to inform the number of cases.
- 6.8 It is proposed that there will be a manual process, which will be included within the user guide.

Manual cases process

Extended User guide

- 1.Prepare case data normally
- 2.Run calculator
- 3.Manually calculate benefits using regs
- 4.Adapt output using guidance

Sending cases to GAD

- 1.FRA: Share case data + benefit calc securely
- 2.GAD: Check data consistency
- 3.GAD: Share contributions and lump sums

- 6.9 This will allow for FRAs to be able to cover more of the cases, which include the more sensitive groups, and allows GAD to concentrate on the more complex cases.
- 6.10 FRAs will need to use the secure egress link to provide the data to GAD. It will be intended that the FRA will need to have run a calculation through the calculator to then provide this to GAD.

6.11 If GAD identify cases that come up a lot, they will look to include a manual workaround within the user guide.

6.12 JL reflected that she thinks this is a good thing that FRAs will be able to take more cases forward.

2024 valuation

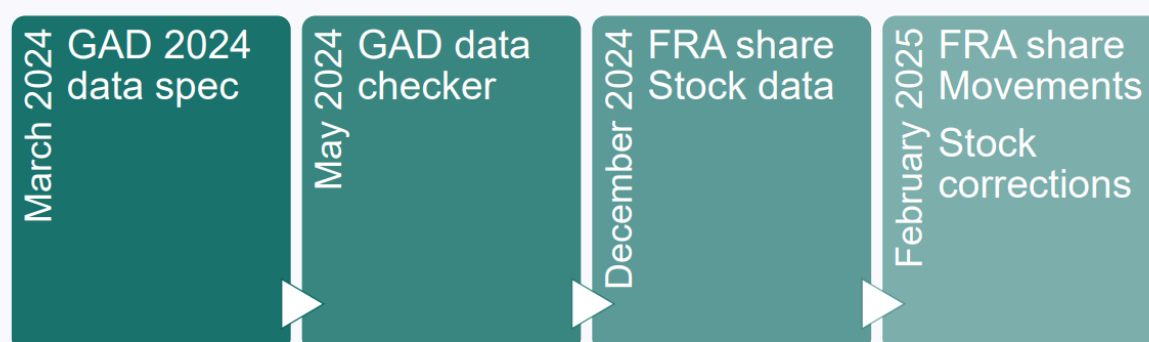
6.13 BA gave an overview of the 2022 valuation, which has already been presented to the Board and confirmed the employer rate of 37.6% coming into force on 1 April 2024.

6.14 The same process will be followed for the 2024 valuation, that the draft results would be fed back to SAB for comment before being shared with wider stakeholders.

6.15 The description of the data that is to be collected has been reviewed, with some useful feedback being provided on the specification. BA reflected that it is important that the information is provided to allow for the usability of the data by both Home Office and the Board.

6.16 BA covered the proposed timeline:

2024 scheme valuation: data collection



6.17 The deadline for collection of data is December 2024. Some of the feedback was that this date would not allow for the data to reflect remedy, and cases being completed, therefore a step has been added in February 2025 to allow

for administrators to provide an update of FRA share movements and stock corrections.

6.18 JL asked what the reference to stock data is.

6.19 BA confirmed that it is the information and in what state, and refers this against the data in 2020, movement data.

6.20 JL asked whether it is anticipated that administrators will be able to meet this deadline.

6.1 HS and CJ reflected that there was a lot of feedback on this point, and it adds additional pressure to the other things that they need to provide in the same timeframe.

7. Software supplier updates

Heywood

7.1 JL welcomed Claire Hey (CH), Tom Jones (TJ) and Jay Little (JL) from Heywood to the meeting.

7.2 CH introduced their [presentation](#) and gave an update since their report at the December meeting.

McCloud (Sargeant)

7.3 The slides provide an update to the McCloud progress overview, Phase 1 and 2 are complete. Phase 3 and 4 are approved and in development. Heywood have scheduled interim phases to increase available functionality.

7.4 There are some items that are still outstanding where guidance or confirmation of position are awaited before development can progress.

7.5 Club transfers where due to include within phase 2 but this had to be descoped due to the complexity of the club memorandum.

7.6 Item outstanding from phase 3 is divorce which is due to be delivered between July and October 2024.

7.7 Items outstanding from phase 4 are divorce recalculations, deaths, annual benefit statements, deferred benefit statements and remediable service statements, which are due to be delivered between April 2024 and January 2025.

7.8 Heywood have updated their key risks and issues, to include the complexity of the Club memorandum and the tax on interest issue.

7.9 It was also noted that each time the GAD calculator is updated, a change needs to be made to the data view within Altair.

Matthews

7.10 The items outstanding in the Matthews deployment are active to retirement, active to ill health, death in service, review of individual calculations from deferred which are due to be delivered between April and July 2024. The ABS and RSS are due to be delivered in 2025.

Valuation

7.11 Heywood fed back to GAD on the valuation data specification.

7.12 The detail is mainly as expected due to having sight of the police specification.

7.13 They were concerned over the late release of the specification, with puts a risk on whether they can update the valuation extract from the system. These are due to be delivered in July for testing, which GAD have confirmed will help with some dummy data.

7.14 Feedback from clients is that schemes are still working on the data and service, but data is starting to come back, but it has been piecemeal.

7.15 JL asked about the lack of data which was described and reflected that the board are trying to get a handle on this.

7.16 CH reflected that this is taking longer than expected, especially as roll back should have taken place in October 2023.

7.17 JL asked what the proportion of Fire schemes have completed this.

7.18 TJ reflected that they have not had any that have completed this. However, they have had clients coming to them for support in processing this, and some are near to completing that.

Civica

7.19 JL introduced Richard James (RJ) and Lissa Evans (LE) and RJ went through their [presentation](#), summarising their progress to date.

McCloud

7.20 RJ provided a recap summary as to where they have got to since the last Board meeting.

7.21 Civica have been concentrating on two main areas of development:

7.22 Annual legislative updates

7.23 Working towards the ability to issue ABS and DBS RSS statements.

Activities Since Last Update

- Annual legislative updates
 - Factors
 - Year end processing
- Working towards ability to issue ABS and DBS RSS statements
 - Modified Scheme
 - Annual Allowance
 - Lifetime Allowance
 - Contributions
 - McCloud Data

Customer engagement

7.24 Civica have been providing support to their clients on the following areas:

- Continuing support re: McCloud
- Ongoing work with technical group

Valuation feedback

7.25 Civica do not see any challenges with the new extract.

7.26 They do not however cater for the second Matthews exercise and the split of CARE data, so are working to provide a resolution for this.

7.27 They will also need to update the extract reports.

7.28 They have also reported back that the timescales are tight.

7.29 LE confirmed that the rework for the CARE data could have been an issue, but now appears to work in their favour.

7.30 It is helpful that the data request has been split and allows some additional timescale.

7.31 CJ asked RJ when they are looking to deliver the data extract, as it had been feedback that it wouldn't be released until January 2025.

7.32 LE confirmed that this has been brought forward, and the anticipated delivery is now September 2024.

7.33 JL asked what the quality of data that they have been seeing is, and what manual workarounds are in place.

7.34 RJ reflected that their input stops at the delivery of the software, but that they can go back to their clients to establish the position. **ACTION**

7.35 JL suggested that this would be helpful for the manual workaround side of things as well.

7.36 JL asked the group whether they wanted to reflect on Civica's update. Their update did not include concerns over the tax implications on interest or the same areas as Heywood have reflected on.

7.37 HS confirmed that she did not think their update was incorrect, but because their clients implement the software differently, so each administrator may be at a different point in the implementation of the software. HS also confirmed that they are on a platform that is obsolete, and therefore they rely upon their IT to implement the updates. They have a lot of data, but do not have the software to implement it.

7.38 Whereas other clients will have the software implemented but do not have the data to take the cases forward.

7.39 NH suggested that the chair write to Civica.

7.40 JL suggested that we cannot really take it forward until we have further responses from the survey.

7.41 HS said that she is happy to provide a picture of their cases, to help inform these discussions, but does not want to put them in a position where other administrators are not.

8. First Actuarial

Review of GAD Matthews calculator

8.1 CM talked through their [report](#).

8.2 CM summarised that they are happy with the calculator and how it works. Their main feedback is that the outputs could be simpler or named differently.

8.3 CM took an action to feed their suggestions back to GAD **ACTION**

8.4 CJ discussed that the tax implications as we understand it do not apply in the same way for the Matthews. CJ confirmed that HMT are looking to provide confirmation of this in writing.

8.5 BA confirmed that the issue wasn't there in the first exercise.

8.6 CJ confirmed that we want to have ensured that we have done the due diligence.

2023/2024 Revaluation confirmation

8.7 CM talked through their [paper](#), including the examples of the CARE revaluation.

8.8 CM also talked through the difference in AWE revaluation and the revaluation rate set by HMRC to calculate annual allowance. The impact that this has is that less members will be affected by annual allowance.

9. AOB and date of the next meeting

9.1 The next meeting is due on 12 June, however FBU are unable to attend due a conflict with an FBU event. **ACTION** to look for an alternative date.