



ACTIONS AND AGREEMENTS

Thursday 13 June 2019

18 Smith Square, Westminster, London SW1P 3HZ

PRESENT

Malcolm Eastwood	Chair
Cllr Roger Phillips	Scheme Employer Representative (LGA)
Cllr Roger Price	Scheme Employer Representative (LGA)
Roger Hirst	Scheme Employer Representative (LGA)
Cllr Nick Chard	Scheme Employer Representative (LGA)
Cllr Nikki Hennessy	Scheme Employer Representative (LGA)
Des Prichard	Scheme Member Representative (FLA)
Dave Limer	Scheme Member Representative (FBU)
Sean Starbuck	Scheme Member Representative (FBU)
Tristan Ashby	Scheme Member Representative (FRSA)
Glyn Morgan	Scheme Member Representative (FOA)
Matt Lamb	Scheme Member Representative (FBU)
Jane Marshall	Legal Adviser
Helen Scargill	Technical Adviser
Angela Chadha	Home Office
Amar Pannu	Home Office
Anthony Mooney	Home Office
Claire McGow	SPPA (observer)
Clare Moffat	SPPA (observer)
Craig Payne	Aon
Alison Murray	Aon
Clair Alcock	LGA – Board secretariat
Claire Hey	LGA – Board secretariat (Minutes)

1. Apologies

1.1 Apologies were received from Fiona Twycross AM, Cllr Ian Stephens, and Brian Hooper.

2. Changes to membership

2.1 Malcolm Eastwood (ME) introduced the Home Office attendees to the meeting and welcomed two new employer representatives to the Board: Cllr Nikki Hennessy and Roger Hirst.

Scheme Advisory Board Secretariat

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3. Conflict of interest

3.1 All Board members completed a standard conflict of interest form. No interests were declared.

4. Minutes from previous meeting

4.1 The minutes of the meeting held on 14 March 2019¹ were agreed as an accurate record.

5. Chair's update

5.1 Malcolm Eastwood (ME) informed the group of events attended in his capacity as chair of the SAB since the last meeting:

- LGA data seminar
- LGA Joint Fire and Police governance event
- TPR stakeholder group
- Administration and Benchmarking committee
- DWP pension dashboard roundtable event

6. Administration and Benchmarking report and discussion

6.1 ME welcomed Aon to the meeting to present their initial findings in the administration and benchmarking review. The draft report was issued to all members on a confidential basis prior to the meeting.

6.2 Alison Murray (AM) explained that Aon had been asked to look at the cost and effectiveness of the FPS taking into account the views of all stakeholders: members, administrators, and employers (FRAs). Three surveys were issued, and the responses analysed to answer four key questions, which are discussed in turn below.

- *Do members receive a good service and are the right benefits paid at the right time?*

6.3 Craig Payne (CP) stated that the first question considered what good service looks like. As a minimum, this is legal requirements being met. The 4,000 member survey responses received indicate that benefits are generally paid on time, with the exception of survivor benefits. CP highlighted that the member response rate was higher than expected, and that a hundred percent response was received from administrators and employers, although not all employers provided all information, especially around costs.

¹ <http://www.fpsboard.org/images/PDF/Meetings/14032019/Minutes140319.pdf>

- 6.4 The employer and administrator survey results showed that a low number of complaints were reported officially, this was also confirmed by the TPR governance and admin survey results. However, this was not reflected by members, who were not always satisfied with the service and communications received. 64% of administrators do not offer an online self-service facility, Aon are working to quantify this in terms of membership as the 19 administrators vary in size and scale. Firefighters communicate nationally which has highlighted inconsistencies in service. LGA held a recent data conference to drive engagement with electronic communications; the dashboard project will also increase member expectation.
- 6.5 While it is evident that FRAs had challenges in providing data for the survey, the flow of data between administrators and FRAs is better than expected. Overall, service is quite good but could be improved, especially around online provision.
- 6.6 Sean Starbuck (SS) asked whether there was any indication what Internal Dispute Resolution Procedure (IDRP) complaints were received in relation to, for example Annual Benefit Statements (ABS), and how many were escalated from stage one to stage two. CP noted that this was not considered within the scope of the survey this year. AM added that ABS would be included under breaches rather than IDRPs.
- 6.7 Cllr Nikki Hennessy (NH) suggested the use of numbers rather than percentages when referring to respondents. AM explained that as not all respondents answered all questions, a denominator would still be needed. Des Prichard (DP) added that the percentage can be redundant as it doesn't take into account the size or membership of the FRA/ administrator.
- 6.8 CP highlighted that the identity of respondents needs to be kept anonymous, and that numbers may identify an authority by size. AM added that the surveys had been completed on the basis that responses are confidential.
- *What is the administration cost per member?*
- 6.9 AM explained that the basic cost derived per member is included in the executive summary with a full breakdown of costs at appendix 1. Most questions relating to costs were directed to the FRAs and this proved the most challenging to establish. Initially the cost was calculated only on active members, then split out across active, deferreds and pensioners based on GAD data at 2016. Aon cannot guarantee that the data provided is complete, so the average cost is the total divided by the number of FRAs submitting cost information.
- 6.10 Only two authorities are administered genuinely in-house, therefore 43 external administration cost responses were expected; 35 were received. The discrepancy could relate to County Councils, which consider administration services to be provided in-house. Uncertainty also appears to exist in FRAs around software costs and how these are charged, as the answers received were not consistent. Nevertheless, the analysis shows that broadly, the larger the FRA, the lower the cost per member.

- 6.11 The costs within the executive summary are considered to be day-to-day running costs. Charges for special projects were requested separately and provided in around one third of cases. The average additional cost of running special projects is material in terms of scheme cost, representing over a 25% increase on the scheme cost. However there is no evidence of why that is, AM queried whether the unexpected time and cost implications of special projects could be mitigated by the recommendation to reduce complexity in the scheme by reviewing scheme changes and structure.
- 6.12 AM asked the Board for their views on the costings in relation to other schemes, bearing in mind the difficulty in finding a suitable comparator. The Police scheme is closest in structure, but no costs are available. LGPS is cheaper, however includes investment costs and could exclude elements which are relevant for FPS.
- 6.13 Cllr Roger Phillips (RPH) confirmed that the LGPS is significantly lower cost than other schemes, adding that FPS must be benchmarked against other schemes in order to identify how to reduce costs and improve efficiency. Roger Hirst (RH) commented that the main difference is the funded status of LGPS, so costs are met out of the fund. A more appropriate comparison would be the Civil Service or Police schemes. RH suggested contacting the PCC Treasury Society to obtain details.
- 6.14 SS expressed concern about the number of FRAs that were unable to provide costs for such an important piece of work and asked if any reason was given. Clair Alcock (CA) agreed it was a concern and suggested that the survey may have not been completed by the most appropriate personnel at an authority, who wouldn't have had access to information, nor the senior management team had sight of the responses, so it was difficult to surmise whether the costs really were not known by the FRA.
- 6.15 DP suggested that staffing costs are difficult to quantify for smaller organisations where pension responsibilities form a small part of wider roles. However, cost data is certainly not as robust as would have been liked. Glyn Morgan (GM) noted that data has long been an issue for FRAs.
- 6.16 SS proposed caution when comparing to other schemes, depending on the completeness and accuracy of their cost data. ME stated that improvement is the main driver of the exercise; any comparisons would be indicative only. DP suggested that results could be drilled down to benchmark FRAs of similar size. ME reminded the meeting that further analysis would be billed at time-cost so the board should be mindful that any additional analysis would need to provide further added value to the project.
- 6.17 AM agreed that the Board should be cautious in drawing conclusions from comparisons as the survey is a starting point. AM asked for views on naming those FRAs who had not provided full responses, given that some authorities spent considerable time and effort on providing information and this should be acknowledged. Also, how engagement could be improved with authorities who provided minimal data, RPH suggested that those FRAs should not be named but an informal conversation should be had with them to feedback concerns that there was missing data.

6.18 Taking on board the comments and questions from AM, the board broke into a general discussion reflecting on the initial observations of the survey report; Cllr Nick Chard (NC) queried whether a reduction in number of administrators would be beneficial, taking into account the complexity of the scheme and economies of scale. GM asked whether there is an optimum size of administering organisation. Helen Scargill (HS) added that WYPF clients are invoiced for administration services so should have been able to provide costings. This suggests that the survey was not completed by the best person at each FRA and could indicate a wider problem with management of the scheme. ME noted the different governance structures in place potentially affected resourcing and the ability to provide responses.

6.19 ME referred back to DP as chair of the Administration & Benchmarking committee. DP summarised that the response rate was high, yet the quality of data is questionable. The Board should now consider the recommendations set out in the report and whether the evidence points toward reducing the number of administrators. The highest number of FRAs administered by a single organisation is 14. Smaller organisations have less opportunity to gain knowledge and skills. The report indicates layers of complexity and increasing costs in relation to special projects, and future uncertainty over scheme changes could lead to a resource challenge.

- *What themes emerge from the evidence?*

6.20 CP took the meeting through the key themes emerging from the analysis.

Complexity

6.21 This was a feature of all surveys, with 73% of administrators scoring the schemes as complex or very complex. There is some uncertainty around what was considered specifically to be complex, outside of local decision making and discretions.

Relationships – interaction and perception

6.22 Relationships are quite good and working well, which is a positive outcome. Any change of administrator appears to be due primarily to end of contract, not a breakdown in working relationship.

Reporting

6.23 A large percentage of administrators do not report back to the Local Pension Board (LPB). Resources and training are available to LPBs from the LGA. There is a variance in frequency of reports from the administrator to the FRA.

Data

6.24 In general, timeliness is good and there is a high satisfaction with quality, although one third of member responses indicated dissatisfaction with responses to queries. However, it is perceived that FPS members have greater demand than members of other schemes. The main problem for FRAs is extracting data from systems.

Engagement

6.25 Concerningly, members were not always aware of their scheme administrator and also indicated a lack of understanding of scheme benefits. A high proportion of those responding are pensioner members. SS expressed surprise at this; RPH added that FPS members are generally more knowledgeable than LGPS members. GM noted that transition has caused a reduction in understanding. HS confirmed this, yet take-up of presentations offered by WYPF is low. A national member website is going to be developed by the LGA.

Breaches

6.26 The number of reported breaches is low compared to TPR survey outcomes. It is important to remember that breaches are not only in relation to ABS and need to cover all legal obligations. ME stated that TPR have noted a lack of breach reporting.

- *Could anything be done differently or better?*

6.27 The Board moved on to discuss the recommendations, the first of which challenges the effectiveness of the current structure of 45 scheme managers across 19 administrators as a longer term consideration. SS remarked that it is too early to consider, as scheme managers do not yet fully understand their roles and responsibilities. DP commented that the Fire Authority is defined in law as the scheme manager, therefore would a reduction in scheme managers mean a reduction in Authorities. CA confirmed it would simply be a function of the Fire Authority that could be merged or shared.

6.28 RPH said it is concerning that FRAs are not able to make decisions. Reports need to be made to LPBs as it appears that boards are not being taken seriously. RPH agreed that the recommendations are sound and it would be wise to start challenging smaller FRAs on improving costs and consistency. National communications will assist member engagement. RPH thanked Aon for a full and comprehensive report.

6.29 Cllr Roger Price (RPR) suggested that economy of scale could be achieved by amalgamating administration. Hampshire have implemented this by linking Police, Fire and LG. However, to reverse this at a later date would not be as simple. SS commented that a drive for collaboration may be financially sound, but member engagement must also be considered. SS noted an error in contribution rates at appendix 5, which has since been amended.

6.30 RH queried whether 45 individual LPBs adds to the inefficiency of the scheme and whether boards could be aligned with administration groupings. RPH highlighted the need to determine whether LBPs are performing well and to challenge them on administration costs. The SAB role is to encourage and support the flow of information to boards. SS stated that a clear distinction is needed between administration and LPBs, adding that a positive outcome from the Hutton report was improved governance requirements.

- 6.31 RPR noted that the report looks at the cost of the scheme nationally rather than per administrator to benchmark cost and service and asked whether further analysis could be undertaken to challenge those not performing. Tristan Ashby (TA) proposed the provision of support and guidance through the SAB committees instead of recommending that scheme manager numbers are reduced; the joint LPB guidance deals with board mergers where administration is shared.
- 6.32 DP commented that pension administration is a professional service to be tendered and there is not sufficient evidence within the report to recommend a particular administrator to FRAs, although the evidence does point towards economy of scale. AM noted that a list of outsourced services is provided at appendix 2 and cautioned against the Board mandating a particular approach, as FRAs may not have considered which elements are included. AM flagged a facility on the TPR website which allows trustees to complete a form to establish costs, this may be more suitable for authorities wishing to benchmark.
- 6.33 The second recommendation is a project to simplify elements of the scheme rules. AM highlighted that where requests had been made for information or guidance, much of it is already available. Therefore a challenge for the SAB is to encourage FRAs to use existing resources. HS agreed, explaining as an example that a template discretions policy is available, yet 95% of available discretions are never used. CA confirmed that LGA could provide more guidance, but this would not address the problems at source.
- 6.34 The report recommends improved monitoring and reporting, and communication of outcomes. CP explained that this could include ensuring reports are made to the FRA/ LPB in a timely manner. AM added that while governance is outside of scope for the report, there seems to be a lack of use of boards; a report on administration performance at every board meeting would highlight any discrepancies and variances. HS confirmed that every WYPF-administered board gets a report, however, the actions taken forward vary.
- 6.35 RH queried who is responsible for ensuring the LPB is effective. CA confirmed this is the scheme manager, which means that the scheme manager also needs to be effective. The LPB role is to assist the scheme manager, and also hold them to account.
- 6.36 CP summarised some of the other recommendations including:-
- A pension administration strategy to be progressed by the Administration & Benchmarking committee. A national member website is planned through the Fire Communications Working Group to drive member engagement and communications.
 - Data gathering exercise to be undertaken on a regular basis to improve benchmarking and FRA engagement.
 - Identification of key person risk. Clear business plans put in place to share and expand knowledge.
 - Improvement of breach recording and reporting process, although out of scope of the report.
- 6.37 The survey asked for views on the national support offered. AM confirmed that LGA was viewed as good or very good; other bodies were considered less favourably. Where guidance and support is used, it is highly valued, so expanding awareness of available resources is key.

6.38 CA stated that there still appears to be confusion around the legal status of administrators, the administrator is appointed by the scheme manager to provide a service and they have no legal responsibility for the scheme. However as this is a different position to the LGPS, where the administering authority is also the scheme manager, this causes some misunderstandings from both the administrators and the scheme manager. Therefore as it is the scheme manager, not the administrator who needs to make decisions and ensure the scheme is well managed it does not necessarily follow that less administrators would make any difference on the effectiveness of the management of the scheme which is still the responsibility of the 45 authorities.

6.39 HS as technical adviser to the board with over 30 years of administration experience and administrator for over 14 FRAs was asked to comment on the benefits of one administrator serving a larger proportion of scheme managers. HS confirmed that although there were some benefits to be gained, such as consistency and sharing of best practice between clients, the administrator still had separate contracts and acted on the instruction of each scheme manager, as it would still remain the responsibility of each scheme manager to make local decisions this would potentially require the administrator to act on 14 different instructions.

6.40 AM asked the Board to consider whether the FRA needs to be the scheme manager if they find making decisions on discretions difficult, as an alternative to reducing the number of scheme managers. HS suggested a change to legislation which would include a default position on discretions with the ability to FRAs to apply local decisions. CP confirmed that this could form part of a simplification project. CA agreed, explaining that some discretions could sit with the administrator, some with the FRA, and some could be removed.

6.41 The Board discussed how the recommendations would be taken forward. It was agreed that the Aon report be referred back to the Administration & Benchmarking committee to develop an action plan to present to the SAB. The employer representatives are to nominate a replacement for Cllr John Bell on the committee.

6.42 SS was comfortable with most of the recommendations, but wished to look at data collaboration in more detail. RPH supported recommendations around simplification, collaboration, challenging administration costs, and improving communication with LPBs. GM proposed looking at a standard, consistent approach rather than collaboration, with work to be done on benchmarking and scheme cost comparison.

6.43 CA confirmed that the points about the continuing provision of support and guidance to scheme managers, by drafting a pension administration strategy, and simplifying discretions could be picked up by the secretariat, and further asked for the Board's views on the following points:

- Whether the board felt that a further project to benchmark the performance of each scheme manager was of value to the board.

- Noting the discussion around administrators and whether there are any benefits in reducing the numbers, and taking on board that the SAB as an advisory body cannot or would not make a recommendation towards a particular administrator, did the board wish to consider making a recommendation to FRAs that within a certain number of years, as contracts come to a natural end, that as a sector they look to reduce administration to x number of administrators, and if so did they have a view on what that number should look like.

6.44 RH commented that the first two points seemed beyond the remit of the SAB's terms of reference and it felt uncomfortable to recommend a reduction in the number of administrators. RPH confirmed that the Board sit between the Home Office and the scheme managers and can only advise on changes. SS stated that collaboration can be encouraged through evidence of good practice. A holistic approach needs to be taken to provide internal comparisons and benchmarking not just on cost, but also service to members.

6.45 Nevertheless the board agreed further discussion on recommendations and next steps for the board were needed and remitted these to the Administration & Benchmarking committee. DP confirmed that a meeting of the committee would be convened to discuss the recommendations and present a report to the SAB. ME thanked Aon for carrying out the review.

7. Ill-Health Retirement ([Paper 1](#))

7.1 CA presented Paper 1 to the Board based on discussions at previous meetings. The paper requests the Board to note areas of the ill-health process which can cause challenges to FRAs and make a decision on the formation of a working group to review the certificates and guidance.

7.2 It has been established that there are two particular aspects of the scheme that cause confusion within the ill-health process: single-source or "one-pot" ill-health, and the wording of the IQMP opinion on incapacity being 'likely to' continue to Normal Pension Age (NPA).

7.3 Single-source ill-health is a Treasury policy applying across all public service schemes, meaning that permanence is assessed to NPA (60) in line with the FPS 2015 regulations, including for transition members. SS remarked that this was an unexpected outcome of the new scheme, which FBU intend to challenge as it is perceived to be a change to the provision in benefit structure.

7.4 The wording of rule 65² states that the condition for ill-health retirement is met where incapacity will continue to NPA. Rule 152³ states that the IQMP shall provide an opinion on whether the incapacity is likely to continue until NPA. The secretariat is content that the regulations should be construed as likely to for completion of the certificates, in line with the earlier schemes. FRAs have a duty to "not act blindly" to ensure that the IQMP has taken all available evidence into account, as well as the intention of the regulations.

² <http://www.legislation.gov.uk/uksi/2014/2848/regulation/65/made>

³ <http://www.legislation.gov.uk/uksi/2014/2848/regulation/152/made>

- 7.5 Currently an upwards review of tier is not allowed on ill-health, but does apply within the compensation scheme. It is particularly difficult in relation to mental health conditions for the IQMP to certify that incapacity is permanent to NPA. The Home Office's informal view is that this should not fall to the scheme, rather the correct decision must be made at first determination.
- 7.6 SS sat on the previous IQMP guidance group in 2009 which worked with the Association of Local Authority Medical Advisers (ALAMA) to reach clear understanding on both sides. SS suggested that ALAMA should be invited to join a working group, along with two employee and employer representatives. SS highlighted that this is a considerable task as robust guidance is needed to assist members and the current form excludes some key considerations, such as redeployment, which need to be incorporated into the IQMP process.
- 7.7 DP agreed that the working group should be wider. DP stated that the nature of ill-health is evolving, with far more cases of mental ill-health and a reluctance of IQMPs to certify permanence. Careful consideration of these elements is necessary. RH supported that the current situation needs to be resolved and agreed to additional employer representation on the working group.
- 7.8 CA emphasised that the group needs members who are actively involved in the ill-health process and that too many members can lead to difficulty in reaching a definitive conclusion. CA suggested equal representation of three employee and employer bodies, with delegation to an experienced individual such as the HR manager.
- 7.9 CA explained that the current form only deals with the IQMP process, yet there are three distinct stages which may require documentation. CA noted the following actions:
- i. Stage 1 – Redeployment (FRA) – CA to progress
 - ii. Stage 2 – IQMP – Working group
 - iii. Stage 3 – Retirement/ Termination (FRA) – CA to progress
- 7.10 CA asked for views on one form per scheme or a multi-purpose form. Jane Marshall (JM) primarily works with the Police scheme where experience shows that multi-purpose forms should be avoided as difficulties arise when they are completed incorrectly. SS would be content with a single form as long as it is fit for purpose. The current forms have been shortened with no redeployment options or injury on duty declaration, which need to be considered prior to IQMP. JM agreed that occupational health should be involved at an early stage to assess reasonable adjustments and redeployment.
- 7.11 RH commented that internal medical input would be needed where the IQMP certifies that the member is not permanently incapacitated, but they are unable to carry out their former role. GM stated that forms need to cover managerial aspects as an audit trail.
- 7.12 JM stressed that forms need to be kept as simple as possible and strongly advocated a dedicated form for IQMP determinations only. SS added that the IQMP should, however, be satisfied that pre-checks have been carried out prior to assessment.

7.13 HS proposed one form per scheme, in three parts. SS noted that forms for FPS 1992 and 2006 exist and work well. CA added that the current FPS 2015 form is also fit for purpose until any challenge to the single-source mechanism is successful. However, FRAs need to be upskilled on the ill-health process and completing the forms.

7.14 TA agreed that a new form will not solve problems with the level of knowledge, highlighting an unprecedented number of medical appeals, IDRPCs and Pension Ombudsman (TPO) cases. Dave Limer (DL) added that FRAs have a duty to “not act blindly”, yet members are often referred to IQMP without engaging with the representative bodies to prepare them for the process. Education and timing is required to get a sound IQMP decision, as each medical appeal is at a cost of £10k to the FRA.

8. Internal Dispute Resolution Procedure ([Paper 2](#))

8.1 In 2018 the Board considered whether IDRPCs should remain a two stage process or be reduced to one stage as advocated by TPO. The SAB determined it was appropriate to retain two stages, with a review of the latest guidance issued in 2009. Paper 2 now asks the Board to consider which parties are best equipped to hear each stage and whether the timescales should be reduced to allow quicker resolution.

8.2 CA explained that the 2009 guidance [[FPSC 1/2009](#)] was compiled by the Firefighters’ Pensions Committee and proposed that elected members of the FRA hear stage two. However, anecdotal evidence suggests that the FRA are not confident to overturn a stage one determination due to a lack of skills and knowledge. GM noted that this was an initial convenience to use a decision making body already in place.

8.3 DP commented positively on the low number of IDRPCs reported to Aon in the benchmarking exercise, stating that complaints are generally in relation to process issues. DP stated that of those IDRPC hearings attended, elected members have had all relevant information to make a sound decision, although most are resolved at stage one. DP supported retaining elected members as they are experienced in dealing with process issues and cautioned against reducing timescales to 28 days at each stage as this may be too short, particularly if the individual is not an active scheme member. TA agreed that elected members should be retained, to give them oversight of the fire service and procedures; also that 28 days is not long enough.

8.4 RPR advised that his FRA used to look at complaints for LGPS and these are now passed to the monitoring officer as it was felt that elected members are more biased in the members’ favour. RPR said that elected members do not have the appropriate level of knowledge to deal with technical issues. RH added that legacy issues are inherited. Within a PFCC, everything falls to one individual and it would be helpful to have provision to delegate. RH stated that an 18-month timescale to resolution is too long and can exacerbate issues.

8.5 DP proposed that IDRPCs remain two stage as currently, with the CFO to hear stage one and elected members at stage two, with the ability to delegate or nominate appropriate persons. DP stated it is incumbent on elected members to obtain relevant advice or guidance on technical and legal issues. SS agreed that too many cases are escalated to TPO, so there is a need to ensure that FRAs are equipped to make the correct decision at second stage.

8.6 RPH commented that the right of second appeal brings integrity to the process, however, PFCCs change the dynamics of this. GM noted that TPO are of the firm view that no scheme should still have a two stage process. CA responded that this cannot be legislated for within FPS as there are 45 separate decision makers. CA agreed that 28 days is not sufficient, and asked whether a different timescale could be proposed, for example the whole process to be completed in X number of months.

8.7 CA explained that the two stage structure reflects the FRA/ scheme manager delegation arrangement and that there is provision with the guidance to nominate an appropriate representative. Based on the discussion, CA determined that a working party to update the guidance is not required and CA will produce a draft for review.

9. Joint Pension Board Guidance ([Paper 3](#))

9.1 Claire Hey (CH) gave a brief background to the development of the joint Local Pension Board (LPB) guidance by the LPB effectiveness committee, and the initial application of three East Midlands boards to become a joint board. CH asked for comments from the Board, prior to publication of the guidance in the June FPS bulletin.

9.2 SS confirmed that he was happy with the guidance. DL agreed that all previous comments and feedback had been incorporated. DL queried the status of the East Midlands application. The secretariat were unable to provide a definitive answer, although it was understood that the application had not yet been submitted to the Secretary of State. TA added that the committee had been awaiting the outcome of the application, but had now agreed to seek approval to publish due to the delay.

9.3 All agreed that the guidance could now be published.

10. Exit Cap Consultation – [Technical Note](#)

10.1 CA gave an update on the draft provisions of the proposed £95k cap on public sector exit payments. As FRAs do not award redundancy payments to firefighters above the statutory amount there are only two circumstances in which an exit payment could arise.

10.2 The first is enhanced commutation for firefighters retiring over the age of 50 with less than 30 years' service. Where the commutation lump sum is restricted to 2.25 times annual pension, the FRA has discretion to award full commutation of one quarter pension and make a payment of the difference into the notional pension fund. The draft regulations exempt this provision on the grounds that it is actuarially neutral as the member receives a smaller pension. This applies to FPS 1992 only.

10.3 The second is Authority Initiated Early Retirement (AIER) in FPS 2006 and 2015, where an FRA can allow a member to retire before age 60 and receive an unreduced pension. If this discretion is exercised, the authority have to make an annual payment into the notional fund of the difference between the reduced and unreduced pension. An exemption applies where the member has been retired on the grounds that they are unable to maintain operation fitness. AIER on any other grounds would qualify towards the cap.

10.4 SS confirmed that the FBU have drafted a response to the consultation, which has a deadline of 3 July. CA will submit a response on behalf of the SAB. The LGA have submitted a detailed workforce response which includes FPS considerations.

11. Update on actions summary/ items delivered

11.1 Items highlighted in yellow indicate completed actions since the last meeting:

- Board policies to be drafted – Ongoing
- To note that past service costs on pensionable pay remains a risk – Open
- Risk strategy
 - a. LPBS – Provided guidance
 - b. Board – Done – ongoing review
- SAB to champion use of on line technology – On-going, part of data conference
- Re-issue IDRPs guidance (done) offer training and support to FRAS (still in progress)
- LGA to establish ill-health working group with SAB and stakeholders – In progress, discussing with Home Office
- Further tax training sessions and materials to be procured.
- Monitor data guidance (on-going) – data conference held 3 April 2019
- Secretariat to work with legal adviser on pensionable pay issues

12. Future meeting dates and venues

12.1 All meetings in the 2019 cycle to be held at 18 Smith Square from 10:30 to 15:30. The following dates have been agreed:

Thursday 3 October
Thursday 12 December

AGM dates 24th and 25th September

12.2 DP submitted apologies for the October meeting.

13. AOB

13.1 There were no items of AOB. The meeting closed at 14:30