



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 received 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)