



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

Simon Primmer

Home Office

Brian Allan

Government Actuary's Department

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)

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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.

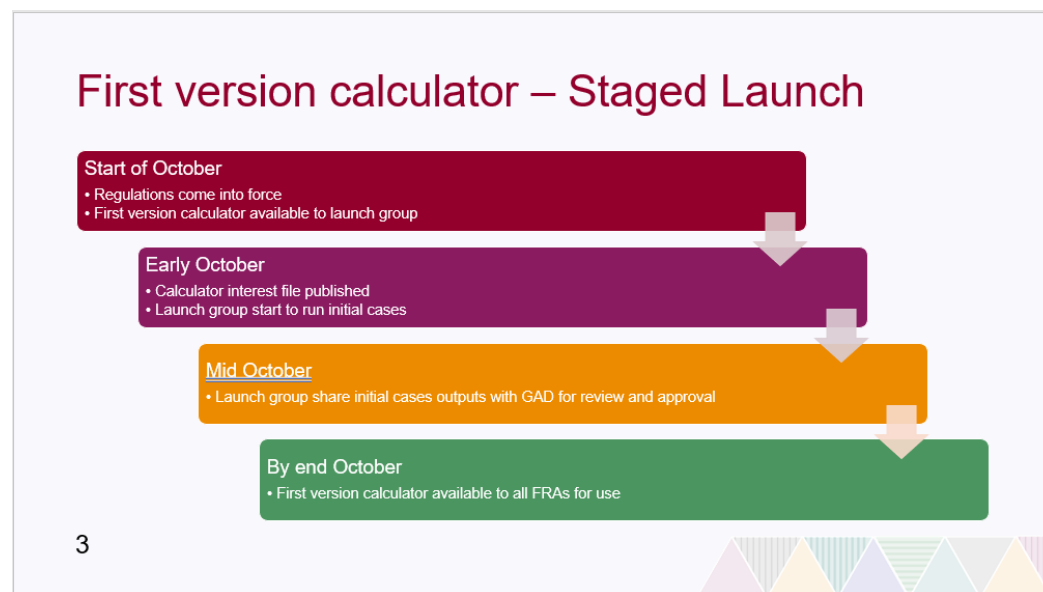
4.13 GM said he was confident from his attendance at the Matthews TWG that the technicality and areas have been covered and where needed answered.

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