



ACTIONS AND AGREEMENTS

Monday 31 March 2020

Conference call

PRESENT

Malcolm Eastwood	Scheme Advisory Board chair
Cllr Roger Price	Scheme Employer Representative (LGA)
Cllr Ian Stephens	Scheme Employer Representative (LGA)
Roger Hirst	Scheme Employer Representative (LGA)
Cllr Nikki Hennessy	Scheme Employer Representative (LGA)
Brian Hooper	Scheme Member Representative (FBU)
Matt Lamb	Scheme Member Representative (FBU)
Pete Smith	Scheme Member Representative (FBU)
Sean Starbuck	Scheme Member Representative (FBU)
Glyn Morgan	Scheme Member Representative (FOA)
Des Prichard	Scheme Member Representative (FLA)

Jane Marshall	Legal Adviser
Helen Scargill	Technical Adviser
Craig Moran	First Actuarial
James Allen	First Actuarial
Claire McGow	SPPA

Clair Alcock	LGA – Chair
Claire Hey	LGA – Board secretariat (Minutes)

1. Introductions and apologies

- 1.1. Clair Alcock (CA) welcomed all to the meeting. Attendees introduced themselves. CA explained that the purpose of the call was to agree the Board's final response to [HMT's working proposals](#) and address any outstanding questions or concerns.
- 1.2. Cllr Roger Phillips and Cllr Nick Chard had agreed the response by email and therefore did not join the call.

2. Agreement of Board response to HMT proposal

- 2.1. Sean Starbuck (SS) commented that FBU representatives were still unclear on how the additional 10-25% estimated cost of implementing deferred choice had been arrived at, given the lack of available evidence to support this.
- 2.2. Malcolm Eastwood (ME) agreed that the reasoning was not quite clear and may need further investigation. CA read the relevant paragraph from page 16 of the response document to illustrate that the figures were already strongly caveated and had been included to show the potential scope of the costs.
- 2.3. SS agreed that the potential increase did need to be highlighted and requested that the caveat be strengthened by the addition of the word “only”. Amended extract below.

The Board accept that deferred choice may generate higher costs and acknowledge that it is difficult to predict the quantum with any degree of accuracy. Therefore, **for the purposes of illustration only** we have modelled what the cost difference of deferred choice could be using an increase of additional cost between 10 to 25 percent to facilitate deferred choice.

- 2.4. Roger Hirst (RH) supported the inclusion of even an arbitrary example, to show that cost differential had been considered. CA said that scheme administrators had confirmed the estimates were reasonable.
- 2.5. CA asked whether the wording around costs was now sufficiently robust and if the Board were happy to agree the document. Des Prichard noted that he was happy to support the response as SAB representative of the FLA. All other members agreed.
- 2.6. CA had asked the Home Office whether the deadline of 3 April was fixed, as the SAB had previously indicated that the response should not be submitted too early in case further supporting detail came to light. The Department confirmed that HMT are already in receipt of the majority of responses. CA explained that the Board’s response would be submitted for consideration as soon as possible once the final version had been circulated by email for agreement.

2.7. CA asked members if they would be content for the response document to be shared online, subject to Home Office approval. RH stated this is essential for transparency. ME agreed. The Home Office have since confirmed that this would not be appropriate, as the SAB were consulted on a confidential basis to test initial government thinking and publishing the response would bring this thinking into the public domain.

3. 2020 Annual Benefit Statements (ABS) ([Paper 1](#))

3.1. CA introduced the ABS paper, explaining that it would not be possible for statements to reflect remedy in 2020 and asking for views on whether projections to normal pension age should be included or the statement to show current value deferred benefits only.

3.2. RH asked whether there is a legal requirement to project and noted that it is vital for members to have as much information as possible. RH suggested that to remove projections would be wilful deprivation of information. Cllr Roger Price (RP) added that changing the format of statements may generate an increased workload for administrators.

3.3. CA explained that there had been a lack of consistency in 2015 with administrators providing different levels of information. CA confirmed that the technical and communications groups were largely in favour of retaining projections as remedy underpins existing benefits and therefore the projected amount would be the minimum due.

3.4. CA stated that as the general preference of stakeholders is to include projections, SAB agreement is needed in order to provide a central direction for FPS England. The secretariat can then support administrators by providing advance communications.

3.5. ME was happy to support this, with inclusion of a well-worded caveat for all to use, to ensure ABS are clear and transparent. Claire Hey (CH) asked what action could be taken where administrators wished to make a local decision and not comply with a national directive. RH responded that they would need to explain why this was the case. Cllr Ian Stephens (IS) agreed that SAB guidance should be followed and, if it is not, an explanation provided.

3.6. The Home Office have since advised that this issue is being considered by the central cross-scheme steering group across public service and a direction will be issued centrally to all schemes. There is no timescale for this, so CA has stressed that administrators are already preparing for the 2020 cycle and guidance is needed as soon as possible.

4. Immediate events data request update ([Paper 2](#))

- 4.1. CA gave an update on the data request to FRAs for their numbers on immediate member events in 2020. CA confirmed that an update would also be included in the March bulletin. CA asked if the Board were content for the paper to be published on the public SAB website to escalate a request for guidance to the Home Office. CA explained that FRAs/ administrators are unable to progress their immediate events without this guidance.
- 4.2. Brian Hooper (BH) noted a discrepancy between the totals in the table and paragraph 10 and pointed out that the number would be much higher if all FRAs had responded. RP suggested that the percentage of respondents be added to paragraph 10 to support this point.
- 4.3. SS suggested that the wording of the paper should be stronger, to emphasise the implications of not having guidance to the Home Office. SS said that members have been waiting some time for remedy and that further unnecessary delay may increase the number of claims for distress and inconvenience. SS highlighted particularly members going through an ill-health retirement process who may be in receipt of reduced pay.
- 4.4. CA agreed to strengthen the wording but noted that the Home Office may also be waiting for further guidance. Therefore, the paper may allow the Department to escalate to HMT.
- 4.5. ME asked if there was any consideration in the interim of potential financial hardship. CA highlighted that there was a need to be careful around tax implications and that the purpose of the paper was to clearly evidence why the calculations cannot be done at present.
- 4.6. SS raised a point around unauthorised payments at paragraph 9 due to overpayment of pension which would be incurred outside of the member's control. CA agreed that this should be expanded to clarify the expectation that the Government would cover the cost of tax charges.

5. Close

- 5.1. CA acknowledged Malcolm Eastwood's last day as chair of the Board, thanking Malcolm for his time, energy, and passion in role and wishing him a happy retirement on behalf of the group. ME in turn thanked the Board and all those who have supported the work of the SAB. ME wished all members well for the future. The Board echoed CA's words.