



Actions and agreements

9 December 2021

MS Teams / 18 Smith Square (Hybrid)

PRESENT

Joanne Livingstone	SAB Chair
Philip Hayes	Scheme Member Representative (FRSA)
Brian Hooper	Scheme Member Representative (FBU)
Matt Lamb	Scheme Member Representative (FBU)
Pete Smith	Scheme Member Representative (FBU)
Mark Rowe (sub)	Scheme Member Representative (FBU)
Des Prichard	Scheme Member Representative (FLA)
Glyn Morgan	Scheme Member Representative (FOA)
James Allen	First Actuarial
Craig Moran	First Actuarial
Alan Wilkinson	SPPA (observer)
Claire Hey	LGA – Board secretariat
Rachel Abbey	LGA – LGPC Pensions Team (Minutes)
Frances Clark	Home Office
Cat Weston	Home Office

Present – online

Cllr Nick Chard	Scheme Employer Representative (LGA)
Cllr Nikki Hennessy	Scheme Employer Representative (LGA)
Cllr Roger Phillips	Scheme Employer Representative (LGA)
Cllr Leigh Redman	Scheme Employer Representative (LGA)
Cllr Roger Price	Scheme Employer Representative (LGA)

Cllr Ian Stephens	Scheme Employer Representative (LGA)
Janet Perry	Scheme Employer Representative (LGA)
Helen Scargill	Technical Adviser
Jane Marshall	Legal Adviser
Anthony Mooney	Home Office
Josh Goodkin	Home Office
Helen Fisher	Home Office
Rosetta Thomas	Home Office
Ian Hayton	NFCC (Observer)
Claire Johnson	West Yorkshire FRS (Observer)

1. Apologies and conflict of interest

- 1.1 There were no apologies received. Janet Perry (JP) substituted for Roger Hirst.
- 1.2 Joanne Livingstone (JL) welcomed Helen Fisher (HF) who was attending her first meeting representing the Home Office and confirmed that this would be Cat Weston's last meeting as she is changing roles.
- 1.3 JL and Claire Hey (CH) welcomed Claire Johnson (CJ) who is joining the LGA team in January 2022 as Firefighters' Pension Scheme Adviser, focusing on employer matters.
- 1.4 JL reminded the Board to announce any new conflicts of interest that arise. No new conflicts were declared.

2. Minutes from previous meeting and Chair's update

- 2.1 JL asked if the Board was happy for the [minutes of the meeting held on 30 September 2021](#) and papers 1 and 5 to be published on the SAB website, with the exception of any confidential information. The minutes were accepted as true and accurate.

2.2 Table 1: Update on actions from meeting of 30 September 2021

Minutes reference	Action	Progress
7 (03.10.2019)	(1) survey of FPS administrators (2) further analysis of survey results (3) cover note to accompany survey results	(1) survey not yet completed (2) see item 4 for survey results (3) cover note has been drafted and distributed to the Board for review
5.19	Commission work on scenarios	See item 9
5.26	Progress procurement of videos on remedy	In early stages

2.3 JL and CH attended an Isio webinar on pensions tax. Isio also demonstrated their tool to assist with communications about remedy. The cost was at the upper end of amount available and would involve significant work to update locally. The decision was made not to pursue this option.

2.4 Member scenarios have been discussed by the SAB Scheme Management and Administration Committee. These will be taken forward by the Board.

2.5 JL attended a coffee morning session on the self-assessment survey outcomes which generated a useful discussion.

3. Home Office update

3.1 Cat Weston (CW), Anthony Mooney (AM), Frances Clark (FC) and Josh Goodkin (JG) provided a brief update on the forthcoming consultation and legislative timeline.

- 3.2 CW thanked those who attended the session on Monday covering the consultation for their input. A Home Office lawyer talked through the regulation changes at that session. The Home Office is considering how to define when an ill health application starts for the purposes of drafting these regulations.
- 3.3 The Public Service Pensions and Judicial Offices Bill (the “Bill”) has passed through the House of Lords and has had its first reading in the House of Commons. The next stage will be its second reading and debate in the House of Commons.
- 3.4 CW shared an updated McCloud remedy timeline. CW expects the Bill to achieve Royal Assent in late January or early February 2022. The Home Office consultation closes on 2 January 2022. The associated prospective remedy regulations that close the legacy schemes and move all members to the career average schemes from 1 April 2022 will be laid in March and take effect from 1 April 2022.
- 3.5 The timelines for introducing retrospective remedy have shifted back by a couple of months. This is due to the complexity of the work and making sure the remedy is effective for all members and does not create adverse outcomes.
- 3.6 The Home Office remains committed to discussing scheme specific issues with the Board, the LGA, and HM Treasury (HMT). The position on contributions for FPS 2006 members is a scheme level issue that needs a decision. Timing is not firm on this issue yet.
- 3.7 Des Prichard (DP) asked about the readiness of software suppliers to deliver the changes needed to systems to implement remedy. He recognises the complexity and has experience of delays in implementing new systems. CW noted that scheme managers are responsible for implementing the remedy. The Home Office is engaging with suppliers and administrators to help them understand the new regulations.

- 3.8 CH reported that suppliers were confident of being able to meet deadlines, but this is reliant on having regulations in place, or a clear stated policy intent that the system developments must be based on. JL thought it would be helpful for software suppliers to attend the next SAB meeting as there should be more detail of the developments needed by then. Software suppliers are on the SAB risk register and remain a high priority.
- 3.9 FC confirmed that they are currently considering how they can get policy information to suppliers and administrators to assist in timely software development.
- 3.10 Philip Hayes (PH) asked the Home Office for an update on the Matthews remedy (FPS 2006 special members). FC confirmed that the project is at an early stage and that they are in discussions with the legal parties to the case about the scope of the remedy for retained firefighters.
- 3.11 JL asked about whether there has been stability in the HMT team responsible for remedy. CW confirmed that there have been changes in the team, but they do now have the right connections across Government, including with HMRC to address issues such as pensions tax arising from the remedy.
- 3.12 Craig Moran (CM) noted the Board's concerns about administrators leaving the FPS market and asked if there have been any recent changes. CH confirmed there are 16 suppliers and no significant changes in the position since the results of the recent survey.
- 3.13 FC stated that HMT has not yet published its response to the discount rate methodology consultation. The response to the consultation on the cost control mechanism has been published.

4. Response to Home Office consultation ([Paper 1](#))

- 4.1 CH delivered the main points from Paper 1.

- 4.2 The consultation covers the amendments needed to move all members to the career average scheme from 1 April 2022 and close the final salary schemes. There are some transitional protections that continue, including the final salary link and maintaining the double accrual guarantee in the FPS 1992, but these are extensions of the protections introduced with the career average scheme in 2015.
- 4.3 The changes follow on from the provisions in the Bill. The consultation and draft regulations relate specifically to the Firefighters' Pension Schemes.
- 4.4 There are some policies in the consultation that are not covered in the draft regulations. These include paying extra contributions for added years. The intention is that members will be able to continue paying for added years when they move to the career average scheme if they have an existing contract.
- 4.5 The second area is ill-health retirement where the process starts before 1 April 2022, but a determination is made after that date. An award under the reformed scheme may be less beneficial than an award from the legacy scheme. There will be an underpin for members in this position. The benefits at retirement under the reformed scheme will be compared with the benefits under the legacy scheme at 31 March 2022. If the legacy scheme benefits are higher, the difference will be added to the reformed scheme benefits.
- 4.6 DP asked whether there was any intention to extend underpin protection to survivor benefits. AM pointed out that a survivor pension will be based on the member's pension. If the member benefits from an increase due to the underpin, this will feed into the survivor benefit calculation.

- 4.7 JL asked about the reversion to legacy scheme benefits that will happen when the member reaches normal pension age. AM confirmed that there is outstanding query for HMT on how this will affect survivor benefits, there may be a further change.
- 4.8 Brian Hooper (BH) asked whether the outstanding issue concerning the purchase of additional benefits includes transfers into the scheme. CH confirmed that the consultation document relates to paying extra contributions to buy additional service. It does not relate to transferring existing pension rights to the scheme.
- 4.9 Helen Scargill (HS) summarised the current rules on transferring in benefits from other pension schemes for the benefit of the Board. She also set out what is expected to happen from 1 April 2022 when all remaining members move to the reformed scheme.
- 4.10 CH asked whether the Board wanted to submit a response to the consultation. The Board agreed that it does want to submit a response.
- 4.11 CH asked for the Board's views on the consultation questions. JL asked for a legal view from Jane Marshall (JM) on whether the draft regulations achieve the stated policy intent. JM's view is that the regulations do achieve what they intend to achieve but would like longer to consider them more fully.
- 4.12 Question 2 covers the ill health provision and the underpin. CH asked what the Board would like to include in their response to this question. JM has already raised the issue of how to identify what date is used for the start of an ill health process.
- 4.13 JM asked what criteria a member would be assessed against as these are different in the legacy and reformed schemes. CJ confirmed that assessments are currently being made against both sets of criteria for members who may fall into this group.

- 4.14 AM highlighted that there were transitional arrangements covering ill-health retirements introduced in 2015. The approach taken then could be followed again. He will look up how these transitional arrangements were delivered, which may have been in regulations or guidance.
- 4.15 Mark Rowe (MR) noted that mental health issues could take some months or even years to manifest themselves. He asked whether the underpin would apply to a member retiring some years after the injury that led to their eventual ill health retirement. AM confirmed that the ill-health process must have started before 1 April 2022 for the underpin to apply. DP noted that ill-health retirement cases can take many years to conclude, sometimes including a long absence and a phased return before the employer refers a member to an IQMP. JL acknowledged the importance of the issue. This will be emphasised in the Board's response to the consultation.
- 4.16 Question 3 concerns purchasing additional service in the legacy schemes. CH noted that no changes were needed to the regulations to allow existing contracts to continue when a member moves to the reformed scheme. There is a provision in the Bill preventing new contracts. CH asked the Board whether the draft regulations deliver the policy intent in this area.
- 4.17 JM gave a legal view on this issue. Her initial thought is that the regulations should specify which provisions already in place will continue when a member transitions to the FPS 2015.
- 4.18 Question 4 covers the equalities impact assessment. CH asked the Board whether the draft regulations impact any groups with protected characteristics. The Board's response to the initial HMT consultation did raise issues in this area concerning maintaining fitness to age 60. It was also noted that double accrual in the FPS 1992 will result in different impacts for members with the same amount of service depending on the amount of service that they accrue before April 2022.

- 4.19 Glyn Morgan (GM) asked whether the Home Office's commitment to keep the retirement age under review is still in place. AM noted that there is not enough experience of members retiring from the FPS 2006 scheme yet to form a view. FC is not aware of any change in policy in this area, but the Home Office will come back on this question.
- 4.20 MR believes that female firefighters are more likely to leave the service early and so the increase to the normal pension age is likely to have a disproportionate impact on female members. He would be interested to see retirement statistics based on gender. MR added that some female firefighters leave the service before age 55.
- 4.21 DP noted that the fitness assessment has developed over time and changes to the firefighter role will mean that future fitness assessments will also change. It is not known at this point whether members are more or less likely to be fit enough to serve as a firefighter until age 60 in the future.
- 4.22 AM pointed out that the FPS 2015 includes provisions related to members over age 55 who are not eligible for ill-health retirement but do not meet the fitness requirements. Such a member could be retired without suffering an actuarial reduction to their pension, with the employer meeting the cost. JL will work with the Board to decide what information to include in the consultation response.
- 4.23 FC said it was unlikely that any data could be considered before the consultation close, although the Home Office is willing to have conversations based on any data that becomes available.
- 4.24 In JM's view, the potential discrimination here is related to the FPS 2015 in general, not the McCloud remedy. Statistics may be a starting point for a legal analysis of whether female members are discriminated against based on a normal retirement age of 60.

- 4.25 Question 5 asks whether there are any other areas that should be addressed in the regulations to ensure that all members move to the reformed scheme and the discrimination is removed.
- 4.26 CH outlined an issue raised in the corresponding consultation on changes to the Police Pension Scheme in relation to the 1987 scheme. The scheme rules allow an FPS 1992 scheme member to access legacy benefits before age 55, but not their reformed scheme benefits. Deferred reformed scheme benefits are payable from State Pension age but could be taken on a reduced basis from age 55 onwards. The early retirement factors are higher to access these benefits than it would be if they were paid on leaving the scheme after age 55. This issue has existed since the introduction of the career average scheme in 2015. CH asked whether the Board wanted to comment on this issue in its consultation response.
- 4.27 Cllr Leigh Redman (LR) asked for clarification on the impact of early payment, specifically how members in different schemes would be affected. He asked whether it would be possible to produce a guidance note and figures on the number of members that may be affected.
- 4.28 CM explained that the member will have a choice between taking their reformed scheme benefits at age 55 with a significant reduction or waiting to take them unreduced at State Pension age. CM said that First Actuarial could look at the possible impacts.
- 4.29 JL pointed out that all fully protected members will be over 55 on 1 April 2022 and so the issue is not as acute in the FPS as it is in the Police Scheme. CH welcomed any comments on the consultation response by 15 December 2021 and apologised for the tight timescales.

5. Immediate detriment (Paper 2)

- 5.1 CW provided an update on the withdrawal of the Home Office's informal immediate detriment guidance.
- 5.2 The Home Office, working with HMT, published informal guidance in August 2020 in relation to immediate detriment cases where the member had not yet retired. The guidance was updated in June 2021 and was based on current information and understanding at the time.
- 5.3 On 29 November 2021, the Home Office withdrew that guidance. The Government advice is for schemes not to process any immediate detriment cases before the legislation is in force. FRAs as scheme managers may make their own decision, but the Government cannot make any guarantees given the level of risk that has been identified.
- 5.4 The Home Office recognises the difficulties for individuals and FRAs. Their priority is to push through the Bill so that remedy is in place as soon as possible.
- 5.5 HF provided some more information about the risks that have been identified. Section 61 of the Equalities Act 2010 (EA 2010) gives a legal basis to address discrimination, thereby returning members to the legacy scheme if they wish. However, Section 61 does not give the legal basis to apply 'work arounds' to finance and tax rules. Legislative changes are required in these areas.
- 5.6 There is uncertainty about how some issues should be treated, such as added pension purchases. Processing immediate detriment cases could introduce unintended consequences, including tax liabilities. The Government has advised all public service pension schemes not to process any immediate detriment cases before the scheme regulations are amended to fully implement remedy. The Home Office recognises how difficult and challenging the withdrawal of the guidance is for members and FRAs.

- 5.7 Cllr Roger Phillips (RP) stressed that FRAs are in an incredibly difficult position, with numbers of affected members being greater for some authorities than others. RP noted that FRAs have been subject to legal action, at great expense. RP suggested that there may be a possibility of FRA's launching a judicial review against the Government if they had a very large number of cases. RP wanted the Government to clearly understand the scale of the problem given the length of time remaining until legislation is in force.
- 5.8 Janet Perry (JP) asked for more information about the possible risks that have been identified. She noted that circular funding could mean that members could be compensated for any losses. From a whole of government perspective, she does not understand the funding issue.
- 5.9 MR explained that this has caused a huge amount of anger among scheme members. MR expressed particular concern over the timing of the withdrawal. MR noted that cases have been settled out of court in full, which led to a request to resolve these issues nationally. Subsequently, a Memorandum of Understanding (MoU) was agreed following discussions between legal representatives, which provided a consistent framework for FRAs to consider adopting.
- 5.10 Shortly afterwards, the Government published new information about unauthorised payments which was inconsistent with the provisions of the Bill, and the withdrawal of the guidance then followed in November. MR noted that the HMT note stated that scheme managers can still decide to process cases, but there may be issues which cannot be resolved until legislation is in place. MR commented that this was always the case, and the MoU advises members that cases may need to be revisited once remedy is in place.

- 5.11 MR stated that withdrawing the guidance was an unhelpful Government intervention that has caused concern among FRAs given the positive progress that had been made. MR said that members may not get the pension they are entitled to if they retire within the next 18 months.
- 5.12 FC acknowledged that the timing was not ideal, however, the withdrawal was based on the current legal assessment and the position remains as set out, that scheme managers can make a decision to process immediate detriment.
- 5.13 Cllr Roger Price (RPR) noted that the scheme is a national scheme and therefore the Government should be giving guidance on how it should be run so that the rules are applied consistently. The MoU was a welcome common-sense approach to achieve consistency. Cllr Nikki Hennessy (NH) supported these comments.
- 5.14 CH commented that the locally administered nature of the scheme makes it particularly difficult to ensure consistency. JL added that the HMT advice covers more than one scheme and the Board's role is to obtain more information to communicate to FRAs, to ensure that they fully understand the risks and can make an informed decision.
- 5.15 DP asked whether there has been any analysis on the level of tax charges and associated interest. DP felt that the amounts involved for most members will be small and that they could be recovered later. JL did not believe the Board has the information needed to make these estimates. More information has been requested on what the perceived problems are and the impact on members.
- 5.16 RP noted that there is also a reputational risk for an FRA proceeding with immediate detriment cases against Government advice. RP agreed that FRAs need to understand the risks better to make an informed decision.

- 5.17 CJ asked about the financial position if an FRA chose to go against Government guidance, for example, could an FRA in that position be able to claim the pension in payment through the top-up grant.
- 5.18 In AM's view, FRAs must interpret and apply legislation as they see fit. They may wish to take legal advice in the process of doing so. If an FRA takes the view that payment of pensions do comply with the regulations, then this would be considered legitimate expenditure for the top-up grant process.
- 5.19 CH summarised the contents of the paper and background to the current position. Following the withdrawal of the guidance, FRAs can continue to operate the framework if they choose to. The HMRC policy note published in October set out changes to the tax regime that will mean certain payments are authorised, contrary to the framework position.
- 5.20 JL had already raised a number of questions with the Home Office that were swiftly responded to, with the aim of getting more clarity about the risks that have been identified. In particular, JL sought more information and, where possible, any legal advice received on:
- 5.20.1 The nature of the newly emerging risks.
 - 5.20.2 The example provided concerning tax relief on member contributions.
 - 5.20.3 Whether Sections 61 and 62 of the EA 2010 provide an FRA with the powers they need to process immediate detriment cases.
 - 5.20.4 The uncertainty surrounding which expenditure is deemed to be 'legitimate'.

- 5.21 CH gave a summary of the Schedule 22 issue in which FRAs argued that they had to implement the scheme as introduced by law. The Employment Appeal Tribunal found in February 2021 that FRAs could not rely on the Schedule 22 defence, and therefore should have complied with both Sections 61 and 62 (power vested to make changes to the scheme to remove discrimination).
- 5.22 CH confirmed that the Board's role is to provide advice to the Secretary of State on whether any changes to the scheme are desirable, in response to a request, and to provide advice to scheme managers and Local Pension Boards on the effective and efficient administration of the scheme. CH asked the Board what information it can offer to scheme managers to achieve this second aim in relation to this issue, and what type of information could be provided to allow consistent decision making and communications.
- 5.23 Ian Hayton (IH) reiterated the difficult position scheme managers are in. Authorities will need to undertake a risk assessment to make a decision on how to proceed. IH felt the SAB could give advice on what to consider when making that assessment. In JL's view the Board needs more information on the issues before it could do so. However, it may be possible to make a start on identifying issues without quantifying the impact that they may have. JL asked JM for a legal view.
- 5.24 JM believes that seeing the legal opinion obtained by HMT would have helped understand the complex issues. It would be difficult for the Board to put any guidance together without getting a legal opinion.
- 5.25 JM said that the Home Office's informal guidance did not have any legal standing in terms of the regulations, but the Secretary of State's guidance does have some standing in terms of the funding provisions of the scheme. There are therefore financial risks, but also reputational risk.

5.26 The Board discussed the risks further:

5.26.1 The unauthorised payment risk does not arise in respect of retirements in the last 12 months or for future retirement. It is now known that past payments will become authorised via the Finance (No.2) Bill, therefore MR did not recognise the significance of this issue.

5.26.2 MR was not convinced that further legal advice is necessary, as the MoU was subject to significant legal scrutiny as to whether the identified risks were manageable. JM has not seen the legal advice in relation to the MoU, nor has the Board. CH confirmed that the advice was subject to legal privilege, although the general principles arising from the advice were shared with nominated contacts at each FRA. The LGA also sought specialist legal advice..

5.26.3 JL understood that the issue highlighted by HMT may be that all contributions to the FPS 2015 lose their tax relievable status, not just that the member would not benefit from additional relief due to the difference in contribution rates between schemes. JL suggested that a legal view may not have been sought on this point. CH commented that this would be an issue for parties to the MoU to consider, rather than the SAB.

5.26.4 DP estimated the amounts involved in the hundreds or low thousands, which he does not see as a barrier to processing immediate detriment cases.

5.27 FC suggested that the Board write to HMT to request more examples of the risks identified to get as much clarity as possible. FC noted that the understanding of the risk has been iterative in line with development of the Bill and policy planning for retrospective remedy.

5.28 The informal Home Office guidance for prospective cases was issued before Government had a deeper understanding of how the remedy will be implemented. JL asked whether HMRC also needed to be included in this correspondence. FC stated the letter should go to HMT only and will provide the right contacts.

ACTION: SAB to write to HMT regarding the withdrawal of the Home Office guidance to request further clarification on the perceived risks.

5.29 DP felt strongly that FRAs and scheme members should not be adversely impacted by HMRC processes. FC noted that the framework is independent of the Government's position. JL asked whether the financial position of rectification is tied into whether a case was processed while the guidance was extant. FC reiterated that AM had covered interaction with the top-up grant.

5.30 RP commented that while this may not be a major financial issue for FRAs, there may be significant reputational risk. FRAs do not want to be pressured into making inappropriate decisions. RP reiterated the challenges caused by the Government's change in position and that FRAs need a better understanding of the perceived risks before making a decision.

5.31 PH asked why the MoU was developed between the LGA and FBU and without wider consultation with all FRAs and representative bodies. MR confirmed that the framework was developed as a mechanism to settle cases resulting from legal action by the FBU against three FRAs.

5.32 CH added that all FRAs had been approached via their nominated contact and had confirmed that they required the LGA to enter into discussions with the FBU to seek an agreed solution to resolve cases consistently.

5.33 MR highlighted the potential risk of future legal action against FRAs where immediate detriment is not being addressed and the significant cost of defending court cases.

6. Abatement guidance ([Paper 3](#))

6.1 CH delivered the main points from paper 3. The first version of the abatement guidance was produced based on a workshop at the annual conference, technical queries received, and examples of good practice provided by FRAs.

6.2 The scheme rules are not prescriptive on abatement. They say that the FRA has a duty to reduce a pension in payment if the member is reemployed (or remains employed) and the pension plus pay exceeds the former pay. The FRA has the discretion not to reduce the pension and instead make a payment into the notional pension fund.

6.3 Two areas of uncertainty were unresolved at the time the first draft was produced. The LGA believes it has resolved these issues based on work done in response to technical queries on pensions increase and Additional Pension Benefits (APBs). The view is that pensions increase should be included in the calculation, and APBs should be abated at normal pension age in relation to ill-health retirement.

6.4 CH highlighted that it is increasingly common for firefighters to have concurrent full time and retained employments, yet it is not clear how this should be treated for abatement purposes. HMRC has a clear policy on concurrency in relation to protected pension age, and it is unclear whether the same principle applies for abatement. The Board recommended obtaining legal advice that JM has provided. In summary, the regulations provide an overriding discretion to abate if a firefighter remains in any employment with any authority.

- 6.5 The document has been updated to reflect these opinions and to incorporate responses to recent technical queries. The order and structure of the document has also been revised. JM has recommended that Home Office guidance on abatement would be welcome, as the scheme rules state that FRAs must have regard to guidance issued by the Secretary of State. CH asked whether the Board wants to make a formal request to the Home Office for abatement guidance.
- 6.6 The Home Office has previously been asked to provide informal guidance and has advised that FRAs are responsible for interpreting and applying the scheme rules. CH explained that if the Home Office is not able to provide guidance, the Board is asked to agree the LGA guide for publication.
- 6.7 AM confirmed that the department moved away from issuing informal guidance following the Norman v Cheshire guidance which was later successfully challenged in court. FRAs are not obliged to follow informal guidance and so publishing it presents a risk for the department. AM highlighted that the regulations cover abatement and FRAs must interpret the regulations to pick up the many complex working patterns that exist. AM's non-legal view is that the guidance produced by the LGA complies with the regulations and does not contradict policy intent.
- 6.8 In AM's view, the reference to guidance in the FPS 1992 regulations relates to the financing aspects of the regulations, not to the policy in abatement directly. There is an indirect link as the FRA must understand how to calculate abatement to work out the finance position.
- 6.9 JM said that previous guidance regarding abatement has been withdrawn and asked for clarity on what information remains in force and what is no longer endorsed. AM confirmed that the FPSC circulars are no longer endorsed as they represent only the informal view of the relevant department at that time.

- 6.10 CH welcomed comments from Board members by 7 January 2022. The guidance will be published shortly after this.

ACTION: Board to provide comments by 7 January 2022.

Secretariat to publish updated guidance.

7. Update on the remedy self-assessment survey (Paper 4)

- 7.1 CH provided an update on Paper 4 which attempts to address concerns raised at the September meeting about the survey responses. A small number of amendments have been made to the report:

7.1.1 It would have been helpful to ask those authorities that did not consider remedy to be a corporate risk why that was their view.

7.1.2 Board concerns about certain individual responses noted.

7.1.3 Minor amendments to add clarity.

- 7.2 JL has drafted a cover note to be sent to FRAs with the survey results in the December FPS Bulletin.

- 7.3 CH has undertaken further analysis to see if those respondents who had missed key indicators in one area had also generated concern in other areas. The results are in the report. CH noted major concern about one FRA who failed to complete the survey in a meaningful way and one whose responses showed that they expect their administrator to take on responsibilities that lie with the FRA.

- 7.4 CH will send a copy of each FRAs results to their Local Pension Board (LPB) with a covering letter thanking them for their submission and highlighting any areas where they may wish to consider improvements.

- 7.5 Progress against the recommendations include:

- 7.5.1 Improvements to the administration procurement process will be investigated by the Scheme Management and Administration Committee.
- 7.5.2 Continuing to work closely with the Fire Finance Network chair on cost monitoring.
- 7.5.3 Providing letters for scheme members that include information about the changes that are happening in April 2022 and how that will affect them.
- 7.5.4 Specific information on remedy added to the member website.
- 7.5.5 Procurement underway for illustrative member scenarios.
- 7.6 CH asked for the Board's views on how to address concerns with individual FRAs. GM suggested that FRAs with incomplete responses be given a second opportunity to complete the survey.
- 7.7 JL suggested that SAB members could visit LPBs to discuss the survey outcomes. DP noted that SAB members used to visit local boards and that this engagement had been welcomed. JL asked the Board members to confirm their willingness to attend local board meetings now that travel restrictions have eased.
- 7.8 JL asked for any feedback on the survey results document or cover letter by 15 December 2021.

8. Update on the budget submission (Paper 5)

- 8.1 CH updated the Board on the budget submission. The submission has been passed to the Secretary of State for approval. The levy has increased by £0.87 to £9.16 per active firefighter. The increase will pay for increased resources to the LGA team including the addition of one full- time post and one part-time post. The budget also includes a substantial allowance for procuring remedy communication tools.

- 8.2 The Board noted the paper. DP had raised a query by email which was addressed. JL confirmed that a response from government is awaited. FC said the Home Office will ensure that the process is adhered to.

9. Member scenarios: verbal update

- 9.1 CM provided a brief update on behalf of First Actuarial. The SAB agreed to commission a suite of member scenarios to tell members about the impact of remedy and compare legacy scheme benefits to reformed scheme benefits. CM noted that the proposed scenarios had been shared with Board members by email and the tender exercise will be initiated shortly.
- 9.2 JL clarified that the timescales were intentionally short for submissions and selection of a supplier in order that timely information can be provided to scheme members. A decision will be made by the chair and the secretariat and can be ratified by the Board's procurement committee.
- 9.3 CH noted that under LGA procurement rules, the tender must be advertised on Delta e-sourcing and a minimum of three bids can be invited. JL highlighted that information on salary progression is still to be added to the specification but could be incorporated later.
- 9.4 JL reminded the Board that procurement of member scenarios was a different approach than for some of the devolved schemes who are commissioning a modeller. JL noted that previous discussions had determined that scenarios would be a more effective way to communicate the principles of remedy to scheme members. CM agreed, on the basis that members do not need to make an immediate choice.
- 9.5 CH added that one of the key aims is to address the recurring misconception that fully protected members would lose their final salary benefits if not accessed before 1 April 2022.

- 9.6 Board members were content for the request for quotes to be published to Delta.

10. Action summary update (Paper 6)

- 10.1 JL summarised the key points from the paper which had not already been addressed during the meeting:

10.1.1 The planned data workshop was no longer required, as administrators are operating to different timescales for their remedy data extracts and some FRAs have already started collating data. The TPR scheme return has also now already been completed for 2021. The data scoring guidance will be revised for 2022.

10.1.2 Background scoping work has started on procurement of member videos to explain remedy. This includes identification of interested suppliers or parties to approach, the content/ themes of the videos, and indicative pricing.

- 10.2 The Board was asked to note the contents of the paper.

CH noted a lack of progress against the action summary due to reduced capacity on the secretariat team. CH proposed a full review in 2022 to assess whether all outstanding actions are still relevant. CH added that the risk register is also due to be reviewed.

11. Agreement of 2022 meeting cycle: verbal update

- 11.1 JL notified the Board of the proposed 2022 meeting dates, falling on every second Thursday of each quarter. The format of the meetings will be considered. JL wished for some meetings to be in person and noted that hybrid arrangements generated the most cost for the Board.

- 11.2 RPR commented that all LGA meetings were proceeding via Teams and asked whether this also applied to the SAB. CH confirmed this was due to new restrictions on travel from 10 December and will apply to all external meetings until further notice.

12. Any other business

- 12.1 DP raised an item of AOB in relation to issuing guidance for the benefit of new members to the SAB. DP confirmed that the SAB can issue guidance as a legally constituted board with secretariat services provided by the LGA.
- 12.2 DP said that the predecessor committee to the SAB was able to issue formal guidance that FRAs had duty to comply with, in addition to guidance provided by the responsible authority. DP highlighted that as this is no longer the case, inconsistency in the application of pension regulations and policy has increased.
- 12.3 DP asked JM for a view on whether the SAB could be held legally responsible for any guidance issued which another party had a conflicting view on.
- 12.4 JM commented that all guidance issued is heavily caveated with a disclaimer which sets out that FRAs must seek their own legal advice and cannot rely on guidance as a legal position.
- 12.5 DP stressed that the SAB and the LGA are separate entities and expressed concern about the secretariat function becoming conflicted in relation to guidance issued from either entity.
- 12.6 GM referred to the regulatory position which states that scheme managers must have regard to SAB guidance. JM said that guidance has no legal standing as FRAs must adhere to the regulations. JM added that FRAs must also comply with guidance issued by Government.

- 12.7 JL emphasised that there is a distinction between providing guidance which is a sharing of information or guidance which is an interpretation of legislation or a Board opinion. JL said the papers provided by the secretariat are generally helpful to remind the SAB of its remit.
- 12.8 DP and GM noted that the Board wished to be proactive in making recommendations to the government.
- 12.9 No other items of AOB were raised.