

OFFICIAL

Activity report

Local Pension Board

Date: 20 January 2023

Agenda Item:

06

Submitted By: Chief Employment Services Officer

Purpose	To inform Members of performance in key areas for the period 1 July 2022 to 31 December 2022
Recommendations	That the report is noted
Summary	This report informs Members of the membership statistics and movements for the reporting period, as well as providing a summary of the number of opt-ins/outs, appeals made under the Internal Dispute Resolution Procedure (IDRP) and number of pension estimates processed

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
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Background papers open to inspection: None

Annexes: None

1 Introduction

1.1 This report informs Members of the Authority's key areas relating to the Local Pension Board as follows:

- Number of members across the various schemes
- Membership movements during the reporting period
- Number of opt-ins and opt-outs
- Number of retirements
- Estimates processed
- Number of new firefighter recruits
- Total firefighter headcount
- Number of IDRPs Stage 1 and Stage 2 complaints

2 Information

2.1 Number of active scheme members

Scheme	31 December 2022	30 June 2022
2015 Firefighters' Pension Scheme	1,008	1,016

2.2 Number of pensioner members

Scheme	31 December 2022	30 June 2022
1992 Firefighters' Pension Scheme	2,353	2,404
2006 Firefighters' Pension Scheme	15	9
2015 Firefighters' Pension Scheme	25	19
Firefighters' Modified Scheme	42	42

2.3 Number of deferred members

Scheme	31 December 2022	30 June 2022
1992 Firefighters' Pension Scheme	85	83
2006 Firefighters' Pension Scheme	90	91
2015 Firefighters' Pension Scheme	143	164
Firefighters' Modified Scheme	12	12

2.4 Number of new active members (opt-ins)

2.4.1 In the period 1 July 2022 to 31 December 2022, **0** employees opted into the pension scheme. These can be broken down into the following demographics:

Age	Male	Female
18-30	0	0
31-40	0	0
41-50	0	0
51-60	0	0
60+	0	0
Total	0	0

2.5 Number of opt-outs

2.5.1 In the period 1 July 2022 to 31 December 2022, **18** employees opted out of the pension scheme. These can be broken down into the following demographics:

Age	Male	Female
18-30	6	3
31-40	8	0
41-50	1	0
51-60	0	0
60+	0	0
Total	15	3

2.5.2 The most common reason cited for opting out was the cost of the scheme.

2.6 Number of retirements

2.6.1 In the period 1 July 2022 to 31 December 2022, **18** members retired to pension.

2.7 Estimate Requests

2.7.1 In the period 1 July 2022 to 31 December 2022, **46** estimate cases were processed.

2.8 Summary of new recruits

2.8.1 In the period 1 July 2022 to 31 December 2022, we appointed **24** Wholetime Firefighters and **6** On Call Firefighters. Of those, **9** recruits chose to opt out of the pension scheme. The recruits can be broken down into the following demographics:

Age	Male	Female
18-30	11	6
31-40	9	1
41-50	2	1
51-60	0	0
60+	0	0
Total	22	8

2.9 Firefighter Head Count

2.9.1 The total number of Firefighter employees on 31 December 2022 was **1,086**. Of these, **1,008** are current pension scheme members.

2.10 Internal Dispute Resolution Procedure (IDRP)

2.10.1 In the period 1 July 2022 to 31 December 2022, 2 appeals were made under IDRP, 1 at Stage One and 1 at Stage Two

2.10.2 The Stage One case was a member complaining that their 1992 Scheme pension was being paid in arrears. They believed that it should be paid in advance. The complaint was not upheld as an amendment to the original rules allows FRAs to apply discretion over pension payment terms. The member has been informed of their right to appeal under Stage Two.

2.10.3 The Stage Two case involved a former retained firefighter who had retired because of an injury on duty. Their complaint was that they were misinformed when they retired in 1997 about the level of spouse's pension payable on death in retirement. The original quotation from West Yorkshire Pension Fund (WYPF) had included a figure for a spouse's pension; however, this would only be payable if their death is caused by their qualifying injury. WYPF accepted that including this figure without this clarification was misleading and offered £500 compensation for distress and inconvenience as part of the Stage One decision. The member was not satisfied with this outcome and escalated the case to Stage Two. The Stage Two decision did not change the outcome, and the offer of £500 compensation was repeated. The Authority is awaiting a response from the member.

3 Financial Implications

3.1 There are no financial implications arising directly from this report.

4 Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution

5 Human Resource and Diversity Implications

5.1 There are no human resources implications arising directly from this report.

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	No
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7 Health, Safety and Wellbeing Implications

7.1 There are no health, safety and wellbeing implications arising directly from this report

8 Environmental Implications

8.1 There are no environmental implications arising directly from this report

9 Your Fire and Rescue Service Priorities

9.1 Keeping Members informed with regard to legislation and current ombudsman pension issues is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

10 Conclusions

10.1 This report is for information only

OFFICIAL

Scrutiny and Review

Local Pension Board

Date: 20 January 2023

Agenda Item:

07

Submitted By: Chief Employment Services Officer

Purpose

To scrutinise and review the following:

- Discretions made by the Scheme Manager
- Breaches register
- Pension Risk Register
- Compliance deadlines

Recommendations

That the report be noted and further action is taken as identified

Summary

It is one of the requirements of the Local Pension Board that members scrutinise areas relevant to the administrations of the Firefighters' Pension Schemes.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
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E: james.clarkson@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex A – Pensions Risk Register
Annex B – Compliance Deadlines

1 Introduction

- 1.1 Local Pension Board members are to be conversant with Firefighters' Pension Scheme rules and other administration policies relevant to the schemes.
- 1.2 In accordance with this requirement updates have been provided on the following legislative issues:
- Discretions made by Scheme Manager
 - Breaches register
 - Pension risk register
 - Compliance deadlines

2 Information

2.1 Discretions made by the Scheme Manager

For the period from 1 July 2022 to 31 December 2022 the Scheme Manager has been asked to exercise their discretion on one occasion. Details can be found in the table below:

Request	Regulations	Mitigating Factors	Outcome
Transfer request outside initial 12 months	FPS 2015	Lost pension details, now found	Approved - No immediate cost to the Authority and risk of redundancy minimal
Separated spouse's pension	FPS 1992 - Rule C8	None provided	Declined, in absence of any exceptional circumstances
Whether abatement to apply following public sector re-employment	FPS	Not working for an FRA or fire-related organisation, so no cost to WYFRA	Abatement not to apply
Whether abatement to apply following public sector re-employment	FPS	Not working for an FRA or fire-related organisation, so no cost to WYFRA	Abatement not to apply
Distribution of death grant	FPS	N/A	Death grant distributed having had sight of member's will
Whether abatement to apply following public sector re-employment	FPS	Not working for an FRA or fire-related organisation, so no cost to WYFRA	Abatement not to apply
Whether abatement to apply following FRA re-employment	FPS	Employee has specialist skills that we require for critical activities and not applying abatement necessary to	Abatement not to apply and costs to be paid by WYFRA

		incentivise them to return to work	
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2.2 Breaches register

For the period from 1 July 2022 to 31 December 2022 **0** breaches have been identified.

2.3 Pension risk register

2.3.1 The current risk register can be found in Annex A. This has been updated to include individual references for each risk.

2.3.2 WYPF have recommended the inclusion of a successful challenge by unions to the inclusion of remedy costs in the Cost Cap valuation, the outcome of which would be an improvement to the level of benefit accrual in the FPS 2015. This would require administrator systems changes and may reduce resources available for BAU and remedy project work.

2.4 Compliance Deadlines

2.4.1 Members need to be mindful of the following key milestones of the pension administrative cycle and the dates associated with it:

- Year End deadline – 31st May 2022
- Annual Benefit Statement (ABS) deadline – 31st August 2022
- Pension saving statement deadlines – 6th October 2022
- TPR Survey – TBC

2.4.2 WYPF have confirmed that the Annual Benefit Statements and Pension Savings Statements were issued by the deadlines of 31st August 2022 and 6th October 2022 respectively.

2.4.3 It is not known when The Pensions Regulator will be issuing its annual survey.

2.4.4 The triennial re-enrolment of staff has been removed following its successful completion, as the next re-enrolment will not be due until 2025.

3 Financial Implications

3.1 There are no financial implications arising directly from this report.

4 Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution

5 Human Resource and Diversity Implications

5.1 There are no human resources implications arising directly from this report.

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	No
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9.1 Keeping Members informed with regard to legislation and current ombudsman pension issues is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

10 Conclusions

10.1 Pension Risk Register to be updated as per point 2.3

Risk Reference	Risk Area 1 - Regulatory and Compliance	Likelihood (1:least likely, 10:most likely)	Impact (1:least impact, 10:highest)	Score (likelihood x impact)	Main Control/Specific Risk Reduction Actions	Owner	Test	Next review	Comment
REG1	Failure to put appropriate governance arrangements in place and monitor risk	2	7	14	<ul style="list-style-type: none"> • Pension Board given up to date information on legal responsibilities • Terms of reference in place and under review • Procedures for assessing and managing risk • Procedure to identify, assess and report breaches • Suitable frequency of Pension Board meetings 	<ul style="list-style-type: none"> Scheme Manager and Pension Board awareness of legal responsibilities Pension Board Chair Scheme Manager Scheme Manager Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> As Required Annual Annual Annual Annual 	<ul style="list-style-type: none"> Jul-23 Jul-23 Jul-23 Jul-23 Jul-23 	<ul style="list-style-type: none"> Risk Register Policy agreed in July 2019 Breach Policy agreed in July 2019
REG2	Failure to interpret rules or legislation correctly	2	7	14	<ul style="list-style-type: none"> • Appropriate Pension Board Member training • Up to date and documented training log, showing completion of scheme-specific training and The Pensions Regulator's educational material • Technical advice and regular updates made available • Ongoing process for acquiring relevant knowledge and understanding, with regular refresher • Training of new Pension Board Members • Awareness and understanding of relevant documentation as per TPR Code of Practice 14 paras 42-46 	<ul style="list-style-type: none"> Scheme Manager Scheme Manager Scheme Manager Scheme Manager Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> Annual Ongoing Ongoing As Required Annual 	<ul style="list-style-type: none"> LPB Meetings LPB Meetings LPB Meetings LPB Meetings LPB Meetings 	<ul style="list-style-type: none"> Training records reviewed and maintained Legislative update is a standing item on the agenda Encouraged to attend LGA seminars, provided with monthly bulletins and given an overview of recent PO decisions Provided access to TPR online training and training from LGA
REG3	Conflicts of Interest	2	5	10	<ul style="list-style-type: none"> • All Pension Board members to declare any conflicts • Conflicts of interest policy in place and fully understood • Request for interests to be declared at each meeting 	<ul style="list-style-type: none"> Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> Ongoing Ongoing 	<ul style="list-style-type: none"> Jul-23 LPB Meetings 	<ul style="list-style-type: none"> Standing item on LPB agenda
REG4	Failure to comply with TPR deadlines	5	7	35	<ul style="list-style-type: none"> • All pension Board members to keep up to date with TPR compliance deadlines • Training of new Pension Board Members • Technical advice and regular updates made available at LPB meetings 	<ul style="list-style-type: none"> Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> Ongoing Ongoing 		
Risk Reference	Risk Area 2 - Operations	Likelihood (1:least likely, 10:most likely)	Impact (1:least impact, 10:highest)	Score (likelihood x impact)	Main Control/Specific Risk Reduction Actions	Owner	Test	Next review	Comment
OPS1	Member data incomplete or inaccurate	5	7	35	<ul style="list-style-type: none"> • Data management and monitoring requirements under SLA fully understood and deemed adequate • Monthly processes to monitor records and carry out reconciliation • Monthly KPI reporting on data issues – provide summary at each LPB meeting • Data review arrangements in place including periodic address cleanse • Process to enact a Data Improvement Plan and report breaches, if required 	<ul style="list-style-type: none"> Scheme Manager Administrator/Scheme Manager Administrator/Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> Monthly Ongoing As Required As Required 	<ul style="list-style-type: none"> Jul-23 Jul-23 Jul-23 Jul-23 	<ul style="list-style-type: none"> Monthly return sent to WYFF for immediate reconciliation Monthly report received from WYFF Done via monthly return, WYFFS verify any changed addresses Breach Policy agreed in July 2019
OPS2	Administration process failure / maladministration	4	8	32	<ul style="list-style-type: none"> • Formal SLA in place with third party administrator and monitoring arrangements assessed as adequate • Quarterly client meetings and monthly reports including KPIs • Ongoing dialogue between Scheme Manager and third party administrator, including process improvement plans • Clear identification of roles, authority levels, data security and data protection processes • Audit reporting on both third party administrator and Scheme Manager's processes • Disaster Recovery Plans up to date and appropriate • Ability to commission independent assurance report, if required 	<ul style="list-style-type: none"> Scheme Manager Scheme Manager Scheme Manager Scheme Manager Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> Monthly Ongoing Annual Annual Annual As Required 	<ul style="list-style-type: none"> Jul-23 Jul-23 Jul-23 Jul-23 Jul-23 Jul-23 	<ul style="list-style-type: none"> Quarterly meetings attended by Pensions Manager Monthly report received from WYFF
OPS3	Inadequate, late or inaccurate communications	5	7	35	<ul style="list-style-type: none"> • Communication requirements fully understood and The Pensions Regulator's recommendations applied • Communications provided under SLA fully understood and deemed adequate for basic requirements • Ad hoc communications provided by LGA Pensions Adviser monitored, fully understood and tailored as necessary • Develop Communications Strategy and keep under review 	<ul style="list-style-type: none"> Scheme Manager Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> Annual Ongoing Annual 	<ul style="list-style-type: none"> Jul-23 Jul-23 Jul-23 	
OPS4	Operational disaster	1	6	6	<ul style="list-style-type: none"> • Business continuity procedures in place • Third party scheme administrator Disaster Recovery Plan up to date and appropriate • Scheme Manager Disaster Recovery Plan up to date and appropriate • Contracts and other essential documents recorded on a central database 	<ul style="list-style-type: none"> Scheme Manager Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> Annual Annual Annual 	<ul style="list-style-type: none"> As per internal audit cycle As per internal audit cycle As per internal audit cycle 	
OPS5	Successful legal challenge to 2016 Cost Cap Valuation	2	5	10	<ul style="list-style-type: none"> • Administrator awareness of actions required if JR successful • Plan for system configuration updates • Communications to affected members 	<ul style="list-style-type: none"> Administrator/Scheme Manager Administrator/Scheme Manager 	<ul style="list-style-type: none"> Ongoing Ongoing 	<ul style="list-style-type: none"> Temporary risk until case decided Temporary risk until case decided 	
Risk Reference	Risk Area 3 - Financial	Likelihood (1:least likely, 10:most likely)	Impact (1:least impact, 10:highest)	Score (likelihood x impact)	Main Control/Specific Risk Reduction Actions	Owner	Test	Next review	Comment
FIN1	Excessive charges by suppliers/additional liabilities on the operating budget	3	2	6	<ul style="list-style-type: none"> • Regular checks of transactions and charges against contract terms/ robust methodology used to forecast pension accounting data • Annual review of scheme budget, quarterly review of cost incurred against budget • Periodic review of suppliers • Processes in place to ensure robustness of method to forecast and calculate pension accounting data. Liaise with third party administrator when making forecasting assumptions 	<ul style="list-style-type: none"> Scheme Manager Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> Quarterly Annual Annual 	<ul style="list-style-type: none"> Jul-23 Jul-23 Jul-23 	
FIN2	Fraud/Fraudulent behaviour	1	10	10	<ul style="list-style-type: none"> • Budget monitoring and appropriate payment processes including use of authorised signatories and data validation • Monitor incoming and outgoing scheme funds and membership movements against scheme forecasts – reconcile actual transactions against forecasts • Authorisation of transactions in accordance with audit requirements and carried out by authorised signatories only • Robust data validation processes in place by third party administrator and Scheme Manager to ensure all transactions authentic • Audit reporting on both third party administrator and Scheme Manager's processes 	<ul style="list-style-type: none"> Scheme Manager Scheme Manager Administrator/Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> Monthly Ongoing Ongoing Annual 	<ul style="list-style-type: none"> Jul-23 As per internal audit cycle As per internal audit cycle As per internal audit cycle 	
Risk Reference	Risk Area 4 - Funding	Likelihood (1:least likely, 10:most likely)	Impact (1:least impact, 10:highest)	Score (likelihood x impact)	Main Control/Specific Risk Reduction Actions	Owner	Test	Next review	Comment
FIN1	Employer failure to pay correct contributions into scheme	1	10	10	<ul style="list-style-type: none"> • Contribution deductions and payments – monthly reconciliation of schedule of payments due and amount paid across • Processes in place to comply with regulatory requirements on contribution rates and pensionable pay definitions • Suitable reporting and reconciliation processes in place ahead of payment including checks on changes in contract and transition to 2015 Scheme 	<ul style="list-style-type: none"> Scheme Manager Scheme Manager 	<ul style="list-style-type: none"> Ongoing Monthly 	<ul style="list-style-type: none"> As per internal audit cycle As per internal audit cycle 	

AGENDA ITEM No. – ANNEX B

Compliance Deadlines

Members at previous Local Pension Board (LPB) meetings agreed that it would be useful for them to have a comprehensive list of our compliance deadlines. This will enable Members to scrutinise our position, ensure that we are compliant and avoid fines from The Pensions Regulator (TPR).

I have highlighted below the key dates for members to be aware of, it's worth noting that through the year the Scheme Manager is asked to comply with additional areas, however, these are just one off pieces of work. Anything significant will be report to Members through the usual LPB channels.

31 May – Year end Data

West Yorkshire Pension Fund (WYPF) has imposed a deadline of 31 May to send all our year-end data to them. This data is required to produce Annual Benefit Statements (ABS). Although failing to comply would not result in a financial penalty, it means that WYPF can give no guarantees that ABS production will be completed in time for 31 August, which is the TPR deadline.

To reduce the likelihood of non-compliance WYFRS now send data to WYPF monthly. This has resulted in less work at year end and ensures that all data is sent to WYPF in a timely manner, therefore giving them ample opportunity to produce the ABSs within the compliance timeframes.

31 August – ABSs

TPR have imposed a deadline of 31 August to produce all ABSs. Failure to comply with this deadline can result in a financial penalty, the amount would be determined by TPR, in making their decision they would consider the numbers involved and the reason for non-compliance.

6 October – Pension Savings Statement

TPR have imposed a deadline of 6 October to produce all pension saving statements. These statements are only applicable for employees who have breached their Annual Allowance (AA), generally numbers are relatively low (50-100 max). Failure to comply with this deadline can result in a financial penalty, the amount would be determined by TPR, in making their decision they would consider the numbers involved and the reason for non-compliance. It would also have a knock-on effect for the employee. If the employee has breached their AA, and they don't have any carry forward to offset, a tax charge is payable. HMRC have imposed a deadline of 31 January for Voluntary Scheme Pays (VSP) and 31 July for Mandatory Scheme Pays (MSP). If the individual does not comply with these deadlines HMRC can impose sanctions.

30 November – TPR Survey

TPR send out an annual survey, the survey focuses on governance of the scheme. Although this survey isn't mandatory and failure to complete wouldn't result in a fine, failing to reply could damage our reputation with TPR and SAB. The survey is normally completed by the Pensions Manager, with support from the LPB Chair, Scheme Manager and administrator.

OFFICIAL

Legislative Update

Local Pension Board

Date: 20 January 2023

Agenda Item:

08

Submitted By: Chief Employment Services Officer

Purpose To provide a legislative update to Members on matters related to the Firefighters' Pension Scheme(s)

Recommendations That the report be noted

Summary It is a requirement of the Public Service Pensions Act 2013 and subsequent 2015 regulations, for Members of a Local Pension Board to have a knowledge and understanding of the law relating to pensions and such other matters. This report provides an update on the latest relevant legislative issues.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
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E: james.clarkson@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex A – Communication from LGA regarding Injury to Feelings case
Annex B – Letter from SAB Chair regarding Pensions Dashboards
Annex C – Information from WYPF on preparation for Pensions Dashboards

1 Introduction

1.1 It is a requirement under the Public Service Pensions Act regulations that Members of a Local Pension Board have a knowledge and understanding of the governance and administration of the relevant pension schemes.

1.2 In accordance with this requirement an update has been provided on the following legislative issues:

- Age Discrimination Remedy
- Remedy Tax Legislation
- Treasury Directions for PSPJOA 2022
- Age Discrimination Injury to Feelings claim
- Matthews – Second Options Exercise
- Pensions Dashboards
- Judicial Review into 2016 Cost Cap Valuation

2 Information

2.1 Age Discrimination Remedy

2.1.1 The secondary legislation that will amend the FPS regulations to implement the 'retrospective' element of the remedy is expected to be released for consultation in early 2023.

2.1.2 The Scheme Advisory Board (SAB) has been taking part in joint engagement sessions with the Home Office and Police SAB in the second half of 2022. These sessions consider scheme-specific Provision Definition Documents, which define how the provisions of the Public Service Pensions and Judicial Offices Act 2022 will be used to draft the scheme-specific regulations.

2.2 Remedy Tax Legislation

2.2.1 Treasury released [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) Regulations 2023](#) for consultation on 24 November 2022

2.2.2 The legislation addresses the tax issues that will be caused by implementing the retrospective element of the remedy, with the aim of ensuring members will not be detrimentally affected

2.2.3 Areas include:

- Ensuring contributions paid to the reformed schemes during the remedy period still qualify for tax relief after the rollback to members' legacy schemes
- How changes to members' pension input amounts for Annual Allowance purposes will be reported, and outlining the deadlines for the issuing of Pension Savings Statements and for members to elect for Scheme Pays
- Ensuring benefits already paid to pensioners continue to be treated as authorised payments
- Ensuring any additional benefits are authorised and that any lump sum payable is treated as a Pension Commencement Lump Sum
- Ensuring that any changes to the amount of Lifetime Allowance used by members are made at the original event date, rather than constituting a new Benefit Crystallisation Event

2.3 Public Service Pensions and Judicial Offices Act 2022 (PSPJOA): Treasury Directions

- 2.3.1 HM Treasury published [Treasury Directions](#) in relation to the PSPJOA on 15th December 2022. These directions specify how the powers under PSPJOA are to be used in scheme regulations and by scheme managers.
- 2.3.2 The directions specify how schemes should account for tax relief in their methodology for calculating how much contributions are owed by or to members because of them being rolled back into their legacy scheme
- 2.3.3 Other areas covered include:
- The treatment of additional pension contributions paid to the new scheme during the remedy period
 - The treatment of transfers in and out of the new scheme during the remedy period
 - The power of a scheme manager to pay compensation or adjust a Scheme Pays debit for any tax losses incurred by a member
 - How schemes should calculate interest on any contributions owed by or to members
 - The information to include on members' Remediable Service Statements, which must be provided on implementation of the remedy

2.4 Transitional Protections Injury to Feelings Claim

- 2.4.1 The injury to feelings Employment Tribunal brought by the FBU regarding the unlawful age discrimination has been vacated. An update from the LGA is included in Annex A.
- 2.4.2 Negotiations for a settlement will now take place, and any subsequent compensation costs will be met by the Government.

2.5 Matthews – Second Options Exercise

- 2.5.1 Further to the update provided to Members at the previous meeting, we are still awaiting the draft legislation to allow this exercise to take place.
- 2.5.2 The FPS Member website has been updated with a dedicated [site](#) for the second options exercise and a contact form has been produced to allow current and former employees to notify FRAs of their eligibility. This has been circulated by email to current WYFRS On Call firefighters, together with a link to an alternative online form. We have also asked that they forward these to any former colleagues they are still in contact with so that we can obtain up-to-date contact details.
- 2.5.3 Preliminary work on obtaining historic pay information, which will be used to calculate pension benefits for eligible members, has begun but is proving challenging due to the period concerned being beyond statutory limits for the retention of data.

2.6 Pensions Dashboards

- 2.6.1 The Government is facilitating the rollout of online Pensions Dashboards to allow savers to find and view all their pension benefits in a single, accessible location. This will require all UK pension schemes to ‘connect’ to the dashboards system and provide member identifying and benefit data to dashboard providers
- 2.6.2 In a [response](#) to the consultation on the draft Pensions Dashboards Regulations 2022 published on 14 July 2022, the Department for Work and Pensions agreed to extend the original deadline by which public service pension schemes will need to connect to the dashboards system by five months to 30 September 2024, with a requirement to provide benefit value data by 1 April 2025. This is due to the work required by schemes to implement the age discrimination remedy, with 1 April 2025 being the date by which members will need to have received a Remediable Service Statement showing their revised benefits. The dashboard regulations received parliamentary approval in November 2022.
- 2.6.3 The SAB chair wrote to FRAs on 27 October 2022 (Annex B) to highlight the importance of considering our dashboard duties now. WYPF have addressed the points raised in a section of a recent client update report, a copy of which can be found in Annex C. Members’ personal and financial data is submitted to WYPF monthly following completion of payroll, this data is validated, and any queries are fed back to either payroll or HR to be resolved in a timely manner. We have asked that WYPF to notify us immediately of any current and future data issues that may impact our ability to comply with dashboard regulations.

2.7 Judicial Review into Remedy Costs

- 2.7.1 Members were updated at the previous meeting about various trade unions being granted a Judicial Review into the Government’s decision to include the cost of remedy in 2016 valuations.
- 2.7.2 It has now been confirmed that the High Court hearing will commence on 23 January 2023 and last for five days.

2.8 Other Updates

2.8.1 The Chancellor delivered the **Autumn Statement 2022** on 17 November 2022, which confirmed the following policies:

- The Annual Allowance will remain at its current level of £40,000 in 2023/24, with no changes to the Tapered Annual Allowance or Money Purchase Annual Allowance either
- The Lifetime Allowance will remain at its current level of £1,073,100 until the end of the 2025/26 tax year

2.8.2 The following Statutory Instruments have been passed:

2022/787 [The Public Service Pensions \(Employer Cost Cap and Specified Restricted Scheme\) Regulations 2022](#)

2022/1044 [The Pension Schemes Act 2021 \(Commencement No.7 and Transitory Provision\) Regulations 2022](#)

2022/1220 [The Pensions Dashboards Regulations 2022](#)

2022/1229 [The Occupational Pensions \(Revaluation\) Order 2022](#)

2022/1285 [The Pensions Act 2004 \(Disclosure of Restricted Information by the Pensions Regulator\) \(Amendment of Specified Persons\) Order 2022](#)

3 Financial Implications

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4 Legal Implications

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5 Human Resource and Diversity Implications

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10 Conclusions

10.1 This report is for information only

James Clarkson

From: Claire Hey <Claire.Hey@local.gov.uk>
Sent: 11 November 2022 16:02
Subject: Pension Scheme Transitional Protections: Injury to Feelings employment tribunal hearing 14-28 October – hearing vacated

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Pension Scheme Transitional Protections: Injury to Feelings employment tribunal hearing 14-28 October – hearing vacated

To: Chief Fire Officers, FRA Fire Pension Scheme Practitioners, Directors of HR
CC: Local Pension Board Chairs and Lead Contacts

Dear colleagues,

Further to information provided to the nominated contact at each FRA on 14 October 2022, I write to confirm that the injury to feelings Employment Tribunal which was scheduled to begin on that date was, as indicated, vacated.

The injury to feelings claims were made as part of the Sargeant (age discrimination) litigation and are claims for compensation for non-financial loss.

Vacation of the hearing followed agreement in principle as to issues of non-financial loss, and to provide further time to negotiate the full settlement details between all parties (including FRAs) through their respective legal representatives. In the case of FRAs, approval will then be needed by the Steering Committee before final agreement is reached.

The cost of compensation will be fully met by the Government.

In respect of the claimants this applies to, it is all the named original 2015 claims in England and Wales brought by the FBU (but not claims in Scotland or Northern Ireland). This does not settle the further claims served last year, the FOA (Slater and Gordon) claims nor any of the reverse discrimination claims.

You may receive queries from employees. Unfortunately, we are not able to provide advice and employees will need to seek their own advice. We will continue to keep FRAs updated on any material developments through their nominated contact.

Kind regards,
Claire

Claire Hey (she/ her)
Local Government Association | **Senior Pensions Adviser**
FPS Scheme Advisory Board | **Board Secretary**
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Sent by email to: Scheme managers, Local Pension Board chairs

Cc: Local Pension Board lead contacts, Chief Fire Officers

Published on www.fpsboard.org

27 October 2022

Dear FPS scheme manager/ Local Pension Board chair

Message from the Firefighters' Pensions (England) Scheme Advisory Board (SAB) regarding pension dashboards

I am writing to you as we have you recorded as the Scheme Manager/ Local Pension Board chair for your local Fire Pension Scheme. If this is the case, can I thank you very much for your service and, if this is not the case, please can you advise the LGA who the Scheme Manager should be.

It is part of the SAB's role to provide advice to scheme managers and Local Pension Boards in relation to the effective and efficient administration and management of the Firefighters' Pension Scheme 2015 and any connected scheme. The SAB therefore agreed to issue a reminder to scheme managers of their duties with respect to the new [Pensions Dashboards](#). Pensions Dashboards are a government initiative to allow pension scheme members in Great Britain to view all of their pension entitlements online in one place. There is a legislative requirement for fire schemes (along with all other public sector schemes) to connect to the dashboard by 30 September 2024, with a further requirement to be able to provide information about benefits (value data) by 1 April 2025 at the latest.

While we expect scheme managers to be able to delegate many of the actions required to set their Scheme up on the dashboard to their administration provider, it is our understanding that scheme managers are ultimately responsible in law for ensuring that dashboard duties are met. These include:

- Working towards your staging date. The Pensions Regulator (TPR) is keen that schemes start planning now to be able to match dashboard requests to scheme records and return the required information to the dashboard. You will need to understand how your provider will be able to pick out those requests which correspond to your members and ensure that they are providing information to the right individuals.

- Ensuring the infrastructure is in place to hold and share data with the dashboard: Your administrator should be able to tell you how they are planning to connect whether through the existing software providers or through some other route.
- Reviewing scheme data: We understand that the data which is used for the dashboard is likely to be based on information currently being provided as part of Annual Benefit Statements (ABSs). The SAB is keen to encourage the parties to agree consistent information for those documents, particularly given the challenges arising from the Sargeant remedy and second special members options exercise (Matthews). We understand that forums are being provided to discuss such matters and that the LGA will ensure that further information is available in due course.
- Co-operation with the Money and Pensions Service (MaPS). You can get more information on this from [Pensions dashboards: initial guidance | The Pensions Regulator](#)

If you have not already, please get in touch with your administrator to discuss their plans for connecting to the dashboard. You may also want to start thinking about whether you will need to allocate additional resources to make sure your data is fit for purpose.

Please contact the SAB secretariat at bluelight.pensions@local.gov.uk if you have any questions on this or would like to feed back any comments to the SAB.



Joanne Livingstone
Chair of the Firefighters' Pensions (England) Scheme Advisory Board

2.Pension Dashboards - Everyone should be aware of the Pension Dashboard and the requirement to comply with the legislation. Most FRAs should already have received a letter from the SAB which includes the bullet points below.

To these bullet points we have added some clarity for your benefit:

- *Working towards your staging date. The Pensions Regulator (TPR) is keen that schemes start planning now to be able to match dashboard requests to scheme records and return the required information to the dashboard. You will need to understand how your provider will be able to pick out those requests which correspond to your members and ensure that they are providing information to the right individuals.*

WYPF have been working with the Pensions Dashboard programme for 12 months assessing the requirements for matching, providing input to the consultation process and participating in relevant technical meetings and briefings.

Matching relies on two factors firstly the information that the individual puts into the MaPS dashboard upon which schemes can match. There are a number of mandatory fields an individual must enter and a number of optional fields. The more data the individual provides the greater the level of confidence of a match.

The second is accurate data. WYPF has a rolling 12-month programme of data quality improvement, this keeps our data quality scores at a high level. For Pensions Dashboard we are modelling our administration data against these matching criteria to establish what levels of matches we are likely to see in various scenario's. This will allow us to specifically target any data areas for any improvements, if needed.

- *Ensuring the infrastructure is in place to hold and share data with the dashboard: Your administrator should be able to tell you how they are planning to connect whether through the existing software providers or through some other route.*

This year WYPF has upgraded its entire technology stack to be ready for the new technology that Pensions Dashboard requires.

We will be working with a third party provider to provide the connection to the Pensions Dashboard Ecosystem and cloud based infrastructure. This is being procured via a formal procurement route. Viable suitable partners have been identified.

Further Clarity - At the AGM there seemed to be uncertainty what FRAs should be doing to prepare for the pension dashboard and what information is to be available to the members.

Data - If FRAs are providing the data requested by WYPF accurately and timely, WYPF should be able to meet the requirements of the dashboard legislation.

If FRAs are not providing accurate and timely data requested by WYPF, please speak to us as a matter of urgency. This is because we will not be able to meet the requirements of the dashboard legislation. The issue is, that it is the FRAs responsibility to ensure the criteria is met and data provided. Furthermore, it is likely the FRA would be brought to the attention of the TPR and would be responsible to resolve the issue, and/or be subject to potential TPR sanction.

Information on the Dashboard - Very simply, the information we will provide is the information included on the Annual Benefit Statement (ABS).

That information will remain on the dashboard until it is replaced by the details of the ABS the following year. Or is replaced by the member leaving the service and benefit values

deferred, or if the member retires and benefits are paid the details would be removed from the dashboard as the dashboard does not include information about pensioners.

When it is appropriate the ABS will include remedy values and, therefore, these will be available on the dashboard.

No other data will be provided, all queries and administration activities will continue as they currently do at WYPF.

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Pensions Ombudsman Update

Local Pension Board

Date: 20 January 2023

Agenda Item:

09

Submitted By: Chief Employment Services Officer

Purpose To present Members with information on recent Pensions Ombudsman rulings related to the Firefighters' Pension Scheme and other relevant schemes.

Recommendations That the report be noted.

Summary It is a requirement of the Public Service Pensions Act 2013, and subsequent 2015 regulations, for Members of a Local Pension Board to have a knowledge and understanding of the law relating to pensions and such other matters.

It is advised by the Local Government Association that, in order to secure compliance with the legislation relating to the governance and administration of the Firefighter Pension Schemes, Members should review Pensions Ombudsman cases.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
T: 01274 682311 ext. 680157
E: james.clarkson@westyorkshire.gov.uk

Background papers open to inspection: None

Annexes: None

1 Introduction

- 1.1 It is a requirement under the Public Service Pensions Act regulations that Members of a Local Pension Board had a knowledge and understanding of the governance and administration of the relevant pension schemes.

2 Information

- 2.1 There have not been any FPS-related Ombudsman decisions since the last meeting. However, there was a decision relating to Police Pension Scheme regulations where similar ones exist in the FPS. Details are as follows:

[PO-20852](#) – Mr R – Misquote/Misinformation

- 2.2 Mr R complained that his employer had misinterpreted the regulations and not provided him with sufficient information for him to make an informed decision on taking unpaid leave. This meant he had to work longer than he had to so that he could retire early after 25 years' pensionable service.
- 2.3 The Ombudsman acknowledged that the information available to Mr R was not as clear as it could have been but deemed that he did have enough information to alert him that any unpaid leave would impact his pension benefits and his retirement date.
- 2.4 The case highlights the importance of being clear and consistent in staff policies and communications. WYFRS' career break policy is explicit that the period will not count towards pensionable service and that employees should seek advice from the pensions department before applying for a career break. In addition, employees are notified both when their application has been approved and after they return to work that the period will not count towards pensionable service unless the unpaid contributions are paid. A quotation of the unpaid contributions is provided on their return.

3 Financial Implications

- 3.1 There are no financial implications arising directly from this report.

4 Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution

5 Human Resource and Diversity Implications

- 5.1 There are no human resources implications arising directly from this report.

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	No
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7 Health, Safety and Wellbeing Implications

7.1 There are no health, safety and wellbeing implications arising directly from this report

8 Environmental Implications

8.1 There are no environmental implications arising directly from this report

9 Your Fire and Rescue Service Priorities

9.1 Keeping Members informed with regard to legislation and current ombudsman pension issues is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

10 Conclusions

10.1 This report is for information only

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West Yorkshire Pension Fund - Key Performance Indicators

Local Pension Board

Date: 20 January 2023

Agenda Item:

10

Submitted By: Chief Employment Services Officer

Purpose	To inform Members of West Yorkshire Pension Fund's performance in key areas for the periods 1 July 2022 to 31 December 2022.
Recommendations	That the report is noted.
Summary	This report informs Members of the Authority's key areas against which West Yorkshire Pension Fund measure their level of service.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
T: 01274 682311 ext. 680157
E: james.clarkson@westyorkshire.gov.uk

Background papers open to inspection: None

Annexes: None

1 Introduction

1.1 The KPI report presents performance data from West Yorkshire Pension Fund in several key areas. Some of the areas included are as follows:

- Transfer in and out quotes
- Divorce quotes
- Pension estimates
- Deferred benefit set up
- Retirement quotes
- Retirement actuals
- Payroll changes
- Death notifications

2 Information

Case Type	Total Cases	Target Days	Target Met	Minimum Target Percent	Target Met Percent	Average Time Taken
Death Grant to Set Up	1	10	1	85	100	1
Death in Retirement	28	10	28	85	100	1
Deferred Benefits Into Payment Quote	3	35	3	85	100	20.33
Divorce Settlement	3	80	3	100	100	2.33
NI adjustment to Pension at State Pension Age	36	20	36	85	100	8.61
Refund Actual	1	10	1	90	100	1
Retirement Actual	14	10	14	90	100	2.79
Pension Set Up - Payment of Lump Sum	14	3	14	85	100	1.86
Deferred Benefits Into Payment -Payment of Lump Sum	5	3	5	85	100	3
Transfer In Actual	1	35	1	85	100	5
Transfer In Quote	4	35	4	85	100	2.25
Transfer Out Quote Fire	2	35	2	85	100	1
General Payroll Changes	58	20	57	85	98.28	2.36
Change of Bank Details	25	20	24	85	96	3.28
Update Member Details	23	20	22	100	95.65	2.83
Age 55 Increase to Pension	18	20	17	85	94.44	9.94
Dependant Pension To Set Up	15	10	14	100	93.33	1.8
Injury Review	30	20	28	100	93.33	3.7
Change of Address	25	20	23	85	92	8.68
Set Up New Spouse Pension	15	5	13	85	86.67	1.8
Pension Estimate	75	10	63	90	84	4.92
Deferred Benefits Set Up on Leaving	20	20	11	85	55	52

3 Financial Implications

3.1 There are no financial implications arising directly from this report.

4 Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution

5 Human Resource and Diversity Implications

5.1 There are no human resources implications arising directly from this report.

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	No
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7 Health, Safety and Wellbeing Implications

7.1 There are no health, safety and wellbeing implications arising directly from this report

8 Environmental Implications

8.1 There are no environmental implications arising directly from this report

9 Your Fire and Rescue Service Priorities

9.1 Keeping Members informed with regard to legislation and current ombudsman pension issues is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

10 Conclusions

10.1 This report is for information only

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Firefighters' Pensions Bulletins 59-64

Local Pension Board

Date: 20 January 2023

Agenda Item:

11

Submitted By: Chief Employment Services Officer

Purpose	To inform Members of the contents of the bulletins published since the last Local Pension Board meeting.
Recommendations	That the report is noted and any actions arising from the bulletins are acted upon (where appropriate).
Summary	Included in this report are the actions arising from each bulletin and an update of the status of the actions.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: James Clarkson – Pensions Manager
T: 01274 682311 ext. 680157
E: james.clarkson@westyorkshire.gov.uk

Background papers open to inspection: None

Annexes: None

1 Introduction

- 1.1 The Local Government Association (LGA) produces a monthly bulletin which provides pension practitioners with updates on various pension related issues.
- 1.2 The bulletins are sent to Administrators, Scheme Managers, FRA pension contacts and LPB chairs as a matter of course.
- 1.3 There is an expectation of Members to scrutinise each bulletin and seek assurance from the Scheme Manager that all actions arising have been identified and acted upon.
- 1.4 Since the last LPB meeting, there have been six bulletins published by LGA, actions arising from which can be found in the section below.

2 Information

- 2.1 [FPS Bulletin 59 – July 2022](#) contain the following actions:

Action	FRA/Administrator	Status
Administrators to consider the recommendations set out in section 5 of the report.	Administrator	Complete
FRAs to revisit all special members leavers and opt outs to ensure that correct options have been given at deferment.	FRA	Complete
FRAs to have a process in place to ensure that their administrator is informed of any unpaid breaks in service for transitional FPS 2015 members.	FRA	Complete
FRAs to share pensionable data for members who are subject to age discrimination remedy and have had an inter-brigade transfer during the remedy period with the current FRA's administrator	FRA	As and when required
FRAs to review the information in the factsheet to ensure they do not fall short of TPO's expectations.	FRA	Complete

- 2.2 [FPS Bulletin 60 – August 2022](#) contain the following actions:

Action	FRA/Administrator	Status
FRAs to review the eligibility factsheet and ensure that	FRA	Complete

appropriate action is taken where necessary		
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2.3 [FPS Bulletin 61 – September 2022](#) contain the following actions:

Action	FRA/Administrator	Status
FRAs to send appropriate follow up communication to all originally determined out of scope individuals	FRA	Complete

2.4 [FPS Bulletin 62 – October 2022](#) contain the following actions:

Action	FRA/Administrator	Status
FRAs to inform the LGA of the IQMPs they use and to provide contact details.	FRA	Complete

2.5 [FPS Bulletin 63 – November 2022](#) contain the following actions:

Action	FRA/Administrator	Status
FRAs to review the ill health re-assessment factsheet and ensure that appropriate action is taken where necessary.	FRA	Complete
FRAs to provide a valid purchase order number, stating the number of employees eligible to join one of the Firefighters' Pension Schemes as of 1 April 2022, using the form provided with the SAB 2022-23 levy letter.	FRA	Complete
FRAs and administrators are encouraged to respond to the consultation	FRA and Administrator	Complete

2.6 [FPS Bulletin 64 – December 2022](#) contain the following actions:

Action	FRA/Administrator	Status
FRAs who meet the limited circumstances and want to apply to defer dashboard connection, must email pensionsdashboard@DWP.gov.uk as soon as possible and before	FRA	N/A, WYFRA do not meet the criteria

12 December 2023.		
FRA's should decide as soon as possible if they want to connect early to dashboards and apply to MaPS when application forms are available	FRA	WYFRA will not be connecting early
FRA's and administrators to remind members who do not have enough carry forward to offset a tax charge for 2021 to 2022 to declare this on their self-assessment tax return	FRA and Administrator	Complete

3 Financial Implications

3.1 There are no financial implications arising directly from this report.

4 Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution

5 Human Resource and Diversity Implications

5.1 There are no human resources implications arising directly from this report.

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	No
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7 Health, Safety and Wellbeing Implications

7.1 There are no health, safety and wellbeing implications arising directly from this report

8 Environmental Implications

8.1 There are no environmental implications arising directly from this report

9 Your Fire and Rescue Service Priorities

9.1 Keeping Members informed with regard to legislation and current ombudsman pension issues is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

10 Conclusions

10.1 This report is for information only



Actions and agreements

23 June 2022

Location: MS Teams

PRESENT

Joanne Livingstone	SAB Chair
Philip Hayes	Scheme Member Representative (FRSA)
Pete Smith	Scheme Member Representative (FBU)
Andrew Scattergood	Scheme Member Representative (FBU)
Mark Rowe	Scheme Member Representative (FBU)
Tony Curry	Scheme Member Representative (FBU)
Des Prichard	Scheme Member Representative (FLA)
Glyn Morgan	Scheme Member Representative (FOA)
Cllr Nikki Hennessy	Scheme Employer Representative (LGA)
Cllr Roger Phillips	Scheme Employer Representative (LGA)
Janet Perry	Scheme Employer Representative (LGA)
Cllr Roger Price	Scheme Employer Representative (LGA)
Cllr Leigh Redman	Scheme Employer Representative (LGA)
Cllr Ian Stephens	Scheme Employer Representative (LGA)
Helen Scargill	Technical Adviser
Craig Moran	First Actuarial
James Allen	First Actuarial
Samantha Watts	GAD
Brian Allan	GAD
Matthew Armitage	Heywood Pension Technologies [Item 9]
Tim Hill	Heywood Pension Technologies [Item 9]
Jenny Gregory	Civica [Item 9]

Claire Hey	LGA – Board secretariat
Elena Johnson	LGA – Firefighter Pension Advisor (Minutes)
Frances Clark	Home Office
Joshua Goodkin	Home Office
Tantara Fox-Stillwell	Home Office
Anthony Mooney	Home Office
Helen Fisher	Home Office
Jane Marshall	Legal Adviser
Alan Wilkinson	SPPA (Observer)

1. Introductions, apologies, and conflict of interest

- 1.1 Roger Hirst (RH) sent his apologies and was substituted by Janet Perry.
- 1.2 Joanne Livingstone (JL) welcomed new members to the group: Tony Curry (TC) from the FBU, Andrew Scattergood from the FBU, Tantara Fox-Stillwell (TF) joining the meeting for the first time. JL also welcomed Elena Johnson (EJ) who has joined LGA recently.
- 1.3 JL asked everyone to introduce themselves.
- 1.4 JL thanked Brian Hooper and Matt Lamb for their service on the SAB.
- 1.5 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 (24 March) and Chair's update

- 2.1 JL confirmed that the minutes from the meeting held on 9 December 2021 have been finalised. JL asked if the minutes for the meeting of 24 March 2022 can be agreed.

- 2.2 JL went through actions arising and noted that certain aspects will appear later in the agenda. There will be a need for a working group in respect of Matthews and ill-health. A project implementation document on Matthews will be circulated by the Secretariat. JL confirmed that it will be necessary to fill the positions on those working groups. It was agreed that closed actions can include the response to HMT on prospective regulations and the issuing of abatement guidance, as well as publication of the SAB's letter to HM Treasury (HMT) on withdrawal of the immediate detriment guidance
- 2.3 JL confirmed that the video procurement is in progress and that software providers are on the agenda later in the meeting.
- 2.4 Claire Hey (CH) confirmed that Craig Moran (CM) had requested some minor amendments to the minutes of 24 March 2022 which would be incorporated into the final version. No other amendments had been requested and the minutes were agreed and will be published.
- 2.5 JL provided the Board with a Chair's update and confirmed the following:
- 2.5.1 JL attended the CIPFA pension board training session, which she said were very useful on several issues, including cyber security. JL said that she was pleased that EJ was now on board to help with governance. JL confirmed that training will be discussed and that these sessions are useful to attend.
- 2.5.2 JL explained that there are several meetings coming up to discuss the provision definition documents (PDDs) with regards to remedy. The Fire SAB is involved in this along with Police SAB and there are representatives from the Scottish SAB as well. On 24 June 2022, the first session was taking place. JL said that it was important to get the scheme specific details correct.

- 2.5.3 JL explained that she had written back to HMT following their response to her letter of 17 December 2021. This was because the SAB felt that further explanation was required from HMT as the letter did not supply the required legal advice or technical detail needed. JL said that this was to try and keep things moving forward.
- 2.5.4 JL explained that observer's access to SAB meetings had been restricted temporarily but that Alan Wilkinson (AW) from SPPA had been invited along for the purpose of providing an insight into the impact of commutation changes in Scotland. JL indicated that this would allow SAB to understand any issues with this, potentially commission further work from GAD and to consider putting forward a business case. JL confirmed that the group would hear from AW later in the meeting and on that basis asked that he should remain for the whole meeting. Members agreed.
- 2.5.5 Philip Hayes (PH) asked if the meeting on PDDs was open to all SAB members. Claire Hey (CH) confirmed that all Board members are invited and are encouraged to attend. JL said that she thought it was important to attend this and that there may be the need to go back to the committees afterwards.

3. Home Office update

- 3.1 Frances Clark (FC) provided an update on Matthews and McCloud.
- 3.2 FC thanked those involved in turning the Matthews MoU into a policy.
- 3.3 FC confirmed that Home Office has now instructed lawyers and will be working with them to help draft the regulations. FC confirmed that it may be a while before they can share any legal material with the group due to summer holidays and the complex nature of this subject.

- 3.4 FC confirmed that the Home Office continues to work closely with the LGA, and a project management group has been set up to work on Matthews. Through the LGA, FRAs have been providing data which will show who is eligible for the Matthews exercise.
- 3.5 FC confirmed that there is an outstanding issue in respect of the MoU on aggregation. Home Office lawyers are in discussion with the FBU around this issue. Once further details of the cases involved are known then the Home Office will be able to look at this issue further.
- 3.6 FC confirmed that in summary there has been good progress on Matthews, but the subject remains complex. It may not be until autumn when further information is released on this.
- 3.7 Des Prichard (DP) asked for clarification on which elements are complex.
- 3.8 FC confirmed that the two elements are: Matthews' interaction with McCloud and secondly the aggregation issue and who is affected. There is also a need to identify the different cohorts. There are believed to be three groups who will be impacted in different ways. The next stage would be testing this with lawyers and seeing how this fits with the existing regulatory structure. FC pointed out that there is also the impact of the 2015 scheme coming in which needs to be considered.
- 3.9 DP pointed out that FRAs are finding data a challenge from his experience as there is Matthews and McCloud to find data for and data is stored differently between services.
- 3.10 Anthony Mooney (AM) asked DP if this was an issue with historic data. DP confirmed that this was the case.

- 3.11 AM confirmed that the Home Office has been working with the LGA regarding cases where data may not be available and where standard data may need to be used. AM confirmed that there will be the opportunity for input at consultation stage but that if anyone has any suggestions as to how this can be overcome then to contact the Home Office with those. DP confirmed that he will contact Ian Hayton at NFCC for views.
- 3.12 JL confirmed that it is important that work arounds are found and that they can be identified as early as possible. AM pointed out that the preferred option is for FRAs to use actual data where they have this and where they can use reasonable endeavours to get this data.
- 3.13 CH confirmed that there will be a Matthews Working Group set up to take this work forward. CH also confirmed that they had contacted NFCC already about the data challenges and had contacted an FRS which has the biggest on-call numbers. CH added that the LGA will be discussing a data governance strategy with GAD which will all feed into helping FRAs in this project.
- 3.14 FC explained that they need to know what data is there and can be accessed so that they can then work out what data is missing or that cannot be accessed.
- 3.15 CH confirmed that SAB representatives and NFCC on-call leads will form part of the working group.
- 3.16 FC updated the group on McCloud stating that the first SAB engagement session is on 24 June 2022 which is being held jointly with Police SAB. The topics are eligibility and interest. FC said that these two topics are similar for Police and Fire but as time goes on, these sessions can be adapted to ensure that they work for the FPS. The sessions are designed for views to be heard from SAB and to contribute to policy development.

- 3.17 FC confirmed that after engagement with Board members on a variety of topics over the next few months, a formal, statutory consultation will take place.
- 3.18 Cllr. Roger Phillips (RP) said that this sort of engagement is welcomed which would hopefully mean that the consultation is more of a formality.
- 3.19 JL asked if, because some topics overlap, there will be the opportunity to come back to them. FC confirmed that this will be the case and that the sessions have been structured to build knowledge up as they go along.

4. SPPA Update

- 4.1 JL asked Alan Wilkinson (AW) to give an update on the early impact of the removal of the commutation cap in Scotland.
- 4.2 AW gave a brief background on the reasons why removing the cap had been considered and confirmed that the cap had been removed from 1 April 2022. AW confirmed that the amendment did not have retrospective effect.
- 4.3 AW confirmed that the impact for the average individual was to increase their lump sum by an estimated sixty to seventy thousand pounds with a corresponding reduction to the annual pension. AW pointed out that this is actuarially cost neutral.
- 4.4 AW confirmed that there are usually three to four hundred retirements per annum but from 1 April 2022 until today, there had been 282 retirements, which is an increase of 182 so far in the first three months of the year.
- 4.5 AW said that the Scottish Fire and Rescue Service believes that the move into CARE from 1 April 2022 will have had an impact on these numbers and the retirements in question were approaching thirty years' service anyway.

- 4.6 AW confirmed that early indications show that retirements are returning to pre-April 2022 levels from July 2022 but that they still need another three to four months to properly confirm this.
- 4.7 JL asked if the sixty-to-seventy-thousand-pound reference included those people whose lump sums would be classed as an unauthorised payment. AW said that they weren't unauthorised, and they can take twenty five percent as a lump sum. Sam Watts (SW) noted in the chat bar that members exceeding the maximum tax-free cash lump sum would be subject to an unauthorised payment charge on any excess.
- 4.8 CM asked if there was a breakdown between those under age 55 and those taking a larger lump sum. AW confirmed that exact figures are not available at the moment but that the number of general retirements is 182 higher than expected and possibly due to the CARE scheme provisions being applied from April 2022. More time is needed to assess the impact.
- 4.9 RP agreed more time is needed; ideally twelve months' to allow a full analysis of the impact.
- 4.10 DP asked, if this is actuarially neutral on what basis would objections be made if it was introduced elsewhere. AW indicated that there would be an upfront cost for paying the bigger lump sum and workforce planning issues.
- 4.11 CM explained that firefighters in England and Wales already have that option if the employer agrees to fund it but asked what the situation was in Scotland before this. AW confirmed that operational costs were unaffected due to the scheme being centrally funded.
- 4.12 Helen Scargill (HS) added that WYPF has seen an increase in firefighters retiring and taking the restricted lump sum a few months before April 2022 and therefore believes that it may not be the change in commutation provision which has caused this.

- 4.13 Mark Rowe (MR) confirmed that the FBU's position is that they would like to see these amendments made in England but are also aware of the issues in relation to workforce planning.
- 4.14 Glyn Morgan (GM) asked for the item to be kept on the agenda as it is too soon to use this information to make a request for change.
- 4.15 CH asked why there was a commutation cap in the first place. AM stated that the reason was unclear but may have been an old tax rule.
- 4.16 JL confirmed that commutation will be kept on the agenda for future meetings.
- 4.17 PH asked if it was known whether any fire stations were closing in Scotland because of this. AW confirmed that he was not aware of any at this time.

5. 2020 valuation assumptions (GAD)

- 5.1 SW and Brian Allan (BA) provided a presentation on the setting of the 2020 Valuation Assumptions concentrating on four specific assumptions.
- 5.2 CM asked about the quality of the 2020 data as one in three FRA's data was excluded in 2016 due to missing data. SW confirmed that the 2020 data was much better. At the last valuation an uprating factor of 1.03 had been applied to date, broadly reflecting the fact that around 3% of the data was unusable. For the current valuation, the uprating factor had reduced by around a half to around 1.015.
- 5.3 DP asked if any consideration will be given this time to the effect that the discount rate has on the FPS. SW confirmed that the discount rate is a key aspect due to the substantial past service costs in the FPS and the discount rate impacts on every single payment which comes out of the scheme, which does mean that the FPS is affected on a greater scale than other public service sector schemes. SW confirmed however that the discount rate is set under Treasury Directions across all public service sector schemes and so is not able to be negotiated.

- 5.4 CH confirmed that the SAB response to the consultation had highlighted the impact of the discount rate on the FPS.
- 5.5 BA talked through the four Home Secretary led assumptions on the slides: Withdrawal, promotional pay, age retirement and commutation.
- 5.6 BA detailed that the number of those leaving before retirement had been higher than they expected and asked SAB members if they thought this was likely to change.
- 5.7 PH asked if the figures were for wholetime or retained firefighters. BA confirmed that the figures were for wholetime firefighters with retained figures not available today. SW confirmed for PH that the retained figures were less sensitive and so that is why they are concentrating on wholetime firefighters.
- 5.8 CM asked if a weighting approach will be used when setting the assumptions, as two time periods are shown on the slides. CM also asked if GAD could explain the cost of the proposed assumptions. BA confirmed that it is likely to be a blended approach and that if firefighters are leaving earlier, with therefore less salary increases, then this will have a downward effect on costs.
- 5.9 CM explained that while costs are useful information, the Board should not rely solely on costs when deciding on assumptions.
- 5.10 MR asked whether the graphs reflect the point at which people left service or left the pension scheme, BA confirmed that it was date of leaving the pension scheme.
- 5.11 As an administrator, HS explained that there has been an increase in firefighters leaving and being employed again for another period so pension records are joined, therefore the figures may reflect this pattern. CH confirmed with HS that this was unlikely to be 1992 scheme members.

- 5.12 GM explained that it is not clear whether people are leaving earlier due to scheme changes.
- 5.13 DP agreed that it is too early to say if patterns will change and if people will remain in service, albeit not in the pension scheme. SW confirmed that some workforce statistics exist but that it is difficult to compare to ten years ago.
- 5.14 HS questioned why the graph could be showing the biggest number of leavers in the 1992 scheme just before age fifty. SW confirmed this is the case but that the data may hold some misclassifications around retirement therefore they will do a smoothed approach to the assumptions.
- 5.15 MR explained that in his view the pattern of higher withdrawals will continue, and withdrawals may increase further due to changes in the fire service, for example the requirement in some services to join as a wholetime firefighter and take on a retained role as well. Additionally, the scheme's normal retirement age of 60 may encourage opt outs. MR added that it is necessary to look at data in more detail, for example between male and female firefighters. BA confirmed that they have figures for both male and female but that they do not look at females in isolation due to this being a small group.
- 5.16 SW suggested deferring further questions to the cost-effectiveness committee.
- 5.17 BA went on to discuss promotional pay through the slides, pointing out that this has a big impact on employer contribution rates. BA asked if there are any anticipated or recent events which are expected to affect promotional pay.
- 5.18 HS said that as the earlier slides indicate that members are leaving before retirement in greater numbers, this would increase the likelihood of there being promotional opportunities.

- 5.19 DP pointed out that the White Paper may open the way for more senior level staff to be recruited from outside of the fire service so this might impact on current staff obtaining promotion.
- 5.20 PH explained that promotional prospects are not as prevalent for retained staff than for wholetime staff due to the requirement to work at a station within eight minutes from home.
- 5.21 Janet Perry (JP) asked for clarification on the purpose of the tables and how it interacted with general wage inflation. BA confirmed that it is looking at the relevant level of salaries for members of different service periods in the snapshot data. JP asked about grades for firefighters. HS confirmed that there are levels of competencies within the roles.
- 5.22 BA explained the slides relating to the final two assumptions of age retirement and commutation.
- 5.23 RP suggested that this information should be taken back to the cost-effectiveness committee for consideration.

ACTION 23.06.2022 (5.23): This item is to be taken to the cost-effectiveness committee to consider the 2020 valuation assumptions in further detail.

6. Contingent Decisions: [Paper 1](#)

- 6.1 CH summarised the paper which gave the SAB an understanding of the categories of contingent decisions.
- 6.2 RP pointed out that consistency will be an issue with contingent decisions and a sensible line of approach is needed.
- 6.3 MR believes that consultation response sections 96-98 in the paper are unclear because it does not state who qualifies for a contingent decision. CH explained that the consultation response referred to these being decided on a scheme manager by scheme manager basis, so the LGA is looking at the possibility of a central decision maker.

- 6.4 AM confirmed that the Home Office is still developing the policy for contingent decisions and there is a SAB engagement meeting on 9 November 2022.
- 6.5 JL expressed a view that there needs to be a process in place for people to raise their contingent decisions, there needs to be someone who will make the decision, and there needs to be an oversight process.
- 6.6 DP expressed concerns over inconsistencies over 44 scheme managers and asked if it was possible to get a view from the Fire Services Management Committee. CH offered to take this forward through that forum.

ACTION 23.06.2022 (6.6): LGA to discuss approach to contingent decisions with FSMC to ensure consistency of application.

7. Action Summary Update and Review: [Paper 2](#)

- 7.1 CH went through the recently closed actions. These included the future of administration under action 03.10.2019 (6), the issuing of informal abatement guidance under action 17.09.2020 (5.3), commissioning work on illustrative scenarios under action 30.09.2021 (5.19) and software supplier presentations to SAB on retrospective remedy under action 24.03.2022 (9.9).
- 7.2 CH requested that the ill-health working group action is un-paused and asked the board for volunteers to take part in this group. The terms of reference will be derived from the 2008 review group. Volunteers will be nominated by the Chair and vice-chairs if there are no volunteers. Claire Johnson will be leading this group.
- 7.3 CH went through the historic outstanding actions. CH suggested closing action 26.05.2016 (3) to note that past service costs are potentially a risk to the cost cap valuation and to move this as a new action over to the Cost-effectiveness committee for the 2020 valuation. This was agreed.

- 7.4 CH explained that the setting up of the Matthews working group is in progress and that a draft project implementation document has been created with a suggested terms of reference for the group. CH will circulate this to the SAB.
- 7.5 CH confirmed that there was an action of 3 October 2019 relating to a tax working group originally postponed due to the pandemic. CH suggested that this remains postponed to 2023, following remedy implementation. This was agreed.
- 7.6 CH suggested carrying over the outstanding actions of 11 June 2020 in relation to temporary positions and retrospective pensionable pay corrections as fresh agenda items in September 2022. This was agreed by the SAB.
- 7.7 CH suggested that the action of 18 March 2021 relating to assumptions for the 2016 cost control valuation is closed, and a new action relating to the 2020 valuation assumptions is created under the cost-effectiveness committee. Again, this was agreed.
- 7.8 JP asked whether the closed action relating to the SAB's letter to HMT should be re-opened. JL agreed that upon HMT's reply, a new action would be opened to consider the response.
- 7.9 MR volunteered to take part in the working groups for ill-health and Matthews.

8. SAB membership, committees, and training: [Paper 3](#)

- 8.1 CH summarised the paper and encouraged members to review their information on the SAB website and inform the secretariat of any updates needed. CH explained that a vice-chair is needed from the member representative side following Matt Lamb's retirement.
- 8.2 CH confirmed that the LGA will be looking to organise the three committees to resume meetings soon. Each committee will be sponsored by a member of the LGA Fire pensions team.

- 8.3 Vacancies exist for a Chair on the Local Pension Board effectiveness committee as well as an employer representative, an employer representative on the cost-effectiveness committee, a practitioner and LPB representative for the scheme management and administration (SMA) committee plus an employer representative.
- 8.4 CH added that there is a requirement for SAB and LPB members to have a sufficient level of understanding and knowledge to carry out their duties effectively. A training needs analysis document will be sent round to members after the meeting in order to develop individual training logs. This needs to be completed by 31 July 2022.
- 8.5 CH confirmed that an induction/ refresher session on scheme provisions and key stakeholders will take place before the end of the year.
- 8.6 RP said that he would help to gather interest in any of the vacancies. DP added that SMA Committee does valuable work which helps the SAB. JP offered to be considered for a role on the cost-effectiveness committee.

ACTION 23.06.2022 (8):

- i. Board members to check the SAB web page and advise the Secretariat of any changes which need to be made to their details.**
- ii. Board member representatives to nominate SAB vice-chair.**
- iii. Board members to nominate replacement committee members for each vacant position.**
- iv. Board members to complete training needs analysis document by 31 July 2022.**

9. Software supplier updates: Heywood Pension Technologies/Civica

- 9.1 Matthew Armitage (MA) and Tim Hill (TH) joined the call from Heywood Pension Technologies and introduced themselves.

- 9.2 MA proceeded with a presentation which set out the progress that has been made over the last twelve months in terms of the six phases of the McCloud remedy solution. Phase one is nearly complete and they are working with stakeholders to agree phase two.
- 9.3 TH explained the progress which had been made on the system including new calculations and data views such as a standalone CARE tranche for the remedy period.
- 9.4 MA highlighted the complex nature of the project and the barrier of not knowing the full details of policy and legislation yet.
- 9.5 TH explained that they can only proceed with standard cases currently as guidance is awaited on transfer in cases, divorce cases, pension offset cases, contributions, and interest.
- 9.6 MA finished the presentation by going through future phases and implementation. MA confirmed that they are drafting a joint letter with CLASS to DLUHC and Home Office to express their concerns.
- 9.7 DP asked if one of the challenges was in relation to annual allowance tax. TH confirmed that was the case.
- 9.8 MA confirmed that Fire customers are represented in the CLASS group. JL asked if LGA and NPCC were involved in CLASS. MA confirmed this was the case and that Fire stakeholders are involved in regular user groups, conferences, and engagement.
- 9.9 JL asked how much of the overall project was involved in phase one. MA confirmed that they were broadly equally split but not all phases needed to be done before October 2023.
- 9.10 RP stated that it was critical that this is on the risk register and that it is imperative that clarity is sought from government.

- 9.11 Cllr. Roger Price (RPR) said that it was imperative that this gets done and asked if there is anything the SAB could do to pressurise government to get the information quicker.
- 9.12 JL said that it was important to keep monitoring progress on the different stages involved and keep conversations going. Letters can be written where appropriate to do so. CH pointed out that Heywood Pension Technologies have agreed to share the letter that they intend to send to the Home Office with the LGA and suggested that the SAB could use this letter as a basis to escalate issues if required.
- 9.13 JL thanked MA and TH for their presentation and they left the call. Jenny Gregory (JG) from Civica joined the call.
- 9.14 JG provided the group with a presentation on Civica's progress with regard to McCloud.
- 9.15 JP asked for details about a risk register and the mitigations which have been put in place due to this being a high-risk project. JG confirmed that there is a RAID, risk register, and details of the mitigation which is in place. This would then give a residual risk score.
- 9.16 JL asked JG to what extent she believed that finalisation of policy was needed to progress with the stages involved. JG stated that there is always going to be the need to re-work some areas until all final policy decisions are known but that less complex cases could be done earlier. This means that the code can be tested earlier for those cases and then adjusted if necessary.
- 9.17 JG explained that the Civica system is modular so modules can be removed and added. Placeholders can also be added where it is known that the system needs to be revisited in a particular area.
- 9.18 JG explained that it is likely that some adjustments may be needed beyond October 2023 if intent is unclear, and this has been considered in the timeline.

10. Administrator remedy self-assessment survey: Paper 4

- 10.1 CH asked the SAB to note the contents of the paper for this meeting. A more in-depth look at the results will occur at the September meeting when some recommendations can be made.
- 10.2 CH highlighted that TPR have just issued a research report on pension administration and the results from the LGA survey will be cross-referenced against TPR's survey to look for similarities and discrepancies.
- 10.3 CH added that the LGA has visited key administrators who have more than one FRA to discuss processes in relation to remedy which is an ongoing process.

11. FPS AGM: Paper 5

- 11.1 CH summarised the paper which confirmed the background and a proposed agenda for the AGM.
- 11.2 CH asked the board to approve the expenditure for the AGM.
- 11.3 MR asked where the AGM is to be held. CH confirmed that it will be held at Smith Square, London.
- 11.4 DP queried the difference in price between the two days. CH explained that day one is a half day and day two is a full day with lunch.
- 11.5 JL confirmed that approval had been granted.

12. Any other business and date of next meeting

- 12.1 No items of AOB were received.
- 12.2 The date of the next meeting was confirmed as 8 September 2022 to be held at the LGA offices in Smith Square, London.