



**Tuesday,  
15 August 2023  
2.00 pm**

**Meeting of  
Local Pension Board -  
Firefighters Pension  
Scheme  
Clemonds Hey  
Winsford  
CW7 2UA**

Contact Officer:  
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## **Cheshire Fire Authority**

### **Notes for Members of the Public**

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The Agenda is usually divided into two parts. Most business is dealt with in the first part which is open to the public. On some occasions some business may need to be considered in the second part of the agenda, in private session. There are limited reasons which allow this to take place, e.g. as confidential information is being considered about an individual, or commercial information is being discussed.

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## **MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME**

**TUESDAY, 15 AUGUST 2023**

**Time: 2.00 pm**

**Fire Conference Room - Fire Service HQ, Clemonds Hey, Winsford, Cheshire, CW7 2UA**

### **AGENDA**

- 1 Apologies**
- 2 Declaration of Interests**
- 3 Notes from the previous meeting** (Pages 1 - 6)  
A copy of the notes from the previous meeting held on 29<sup>th</sup> March 2023 are attached, for information.
- 4 XPS Administration Cheshire Fire Pension Board Report** (Pages 7 - 24)  
**Quarter 4 2022-23 Quarter 1 2023-24**
- 5 Firefighter Pension Scheme Update** (Pages 25 - 38)
- 6 McCloud/Sargeant Judgement Update** (Verbal Report)
- 7 Firefighter Pension Scheme Risk Register** (Pages 39 - 56)
- 8 JCNP Pensions Update** (Verbal Report)
- 9 Pension Board Training Update** (Verbal Report)

**Next Meeting: Tuesday 14th November 2023 at 2.00pm**





**MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME held on Wednesday, 29 March 2023 at Fire Conference Room, Clemonds Hey, Cheshire at 1.00 pm**

**PRESENT:** Councillors David Brown, Lee Shears and Neil McElroy

**1 APOLOGIES**

Apologies for absence were received from George Peers (FBU).

**2 DECLARATION OF INTERESTS**

There were no declarations of interest received.

**3 NOTES FROM THE PREVIOUS MEETING**

**RESOLVED:** That

**[a] the minutes of the Local Pension Board – Firefighters Pension Scheme held on 17<sup>th</sup> November 2022 be confirmed as a correct record.**

**4 XPS ADMINISTRATION CHESHIRE FIRE PENSION BOARD REPORT QUARTER 3 2022-23**

Paul Mudd, Governance and Communications Manager from XPS Administration, was in attendance and presented the Cheshire Fire Pension Board Report Quarter 3 of 2022-23 which contained the following information:-

- Overview
- Member Self Service
- Common Data
- Membership
- Completed Case Overview
- Completed Cases by Month
- Complaints
- Telephony

Paul Mudd provided an update on the Completed Cases Overview. He advised that in Quarter 3 there were eight cases that fell below the agreed target. A total of 214 cases were dealt with, which gave a KPI adherence of 96%. This was an improvement on the first two quarters of the year that were 80% and 92% respectively. After a period of recruitment, XPS Administration would now concentrate on training and would continue to monitor ongoing results with the hope to report an increase in scores. An error was noted on the Membership information which Paul Mudd agreed to review and correct.

The Scheme Manager requested clarity on the Estimates case that was late in quarter 3 which related to a split pension calculation. She explained that split pensions was an area that had previously been an issue and assurance was required that checks and balances were in place to ensure that split pension cases were dealt with in a timely manner and calculations were accurate. In response, Paul Mudd advised that split pension cases take longer to complete due to the complexity of the calculations and he would provide further assurance to the Scheme Manager outside the meeting that the necessary processes are in place for split pensions.

Paul Mudd advised that XPS Administration would be implementing a fire specific telephone line and that number would be included on all correspondence. The line will lead to specific fire-dedicated advisors, and this will allow the number of calls relating to different subject matters to be monitored. Members of the Board requested clarity on the figures detailed within the report. In response, Paul Mudd advised that future reports would include an explanation on each figure/statistic provided in the report.

The Pension and Payroll Manager confirmed that she had seen an improvement since the new telephone system had been introduced. In response, Paul Mudd commented that the team's knowledge would increase in time and as they become more experienced in each subject area, and this would benefit the customers.

The Scheme Manager asked how XPS Administration were preparing for the McCloud Remedy legislation that was due to come into force on 1<sup>st</sup> October 2023. In response, Paul Mudd advised that a dedicated team was in place and a 15-month period had been given to complete this work. AH suggested that a 15-month period would fall very short of the Service's expectations and requested that consideration be given as to how the work could be expedited to achieve a quicker resolution. Paul Mudd noted that 15 months is the maximum period in which the work must be done and agreed if they could complete the work in advance of 15 months they would do so.

**RESOLVED: That**

- [1] the XPS Cheshire Fire Pension Board Report Quarter 3 be noted;**
- [2] XPS Administration re-issue the correct Membership information outside the meeting;**
- [3] XPS Administration to provided clarity directly to the Scheme Manager on the Estimates Case relating to split pension calculations; and**
- [4] XPS Administration to provide further information the statistics detailed in the Telephony update.**

**5 FIREFIGHTER PENSION SCHEME UPDATE**

The Pay and Pensions Manager presented a report that provided an overview of the

current issues relating to Firefighters' Pension Schemes, including the updates on the following:-

- Information Statistics
- FPS Bulletin Actions Arising
- McCloud – Firefighter Pension Scheme Consultation
- McCloud – HM Treasury Directions
- McCloud – Data Collection Exercise
- McCloud – Remedy Timetable
- McCloud – Immediate Detriment
- Pension Dashboard Programme Update
- Matthews Remedy
- General Updates

The Board were advised that in October 2023, service for members between April 2015 and March 2022 would be 'rolled back' into their legacy scheme, that was either the 1992 or 2006 scheme. As the criteria used to assess ill health varied slightly from scheme to scheme, rollback may result in the member qualifying for alternative ill health benefits. Therefore, it would be necessary to re-assess certain ill health cases to ascertain which criteria they meet, or do not meet, in each scheme. Cheshire Fire and Rescue Service (CFRS) had identified 7 cases that needed to be re-assessed. Letters would be sent to these members in the coming months, with a view to having all re-assessments completed before October 2023.

The Board were advised that on 28<sup>th</sup> February, the Home Office had launched a consultation on the amendments to the pension scheme regulations to enact the second phase of the McCloud remedy. This consultation would run for 12 weeks until 23<sup>rd</sup> May. The consultation was seeking views on whether the draft regulations were clear, achieve policy intentions and are non-discriminatory. CFRS would be scrutinising the draft regulations and would respond to the consultation by the deadline date.

The Board were advised that on 19<sup>th</sup> December 2022, HM Treasury (HMT) enacted The Public Service Pensions (Exercise of Powers, Compensation and Information) Directions 2022. These directions set out how certain powers in the primary legislation must be exercised. The Directions also outlined interest arrangements these were extremely complex and were explained in further detail in the overview detailed in Appendix C to the report.

The Board were advised that in preparation for the retrospective remedy exercise which commences in October 2023, the pensions team had been continuing to work on the data collection exercise to ensure XPS pensions had the necessary pay data to recalculate member's pensions and produce remedial service statements. In total, 99.5% of data has been collected, with just 3 complex cases remaining. XPS pensions had provided an eligibility report detailing the members they believe are in scope.

The Board were advised that on 20<sup>th</sup> February, HM Treasury confirmed the revaluation rate for the Firefighters' Pension Scheme 2015 would be 7%. This will be

applied to all pension accounts on 1 April 2023.

**RESOLVED: That**

**[1] the Firefighter Pension Scheme update be noted.**

## **6 MCCLOUD/SARGEANT JUDGEMENT UPDATE**

Amy Caves, Solicitor provided an update on the McCloud/Sargeant Remedy and Immediate Detriment. The Board were advised that the schedule for ongoing legislative work to implement the McCloud remedy had been provided and although the timelines were tight, it was still expected that all legislation will be laid by September 2023 and would come into force on 1<sup>st</sup> October 2023.

The Board were updated that on the progress of the Injury to Feelings FBU claims which are currently outstanding. Those that had brought claims were in two categories either 2015 or 2020.

There were 16 benchmark cases that had been split into two compensation bandings for 2015 claims in England. Those cases where it was shown a greater injury to feelings has occurred were awarded £7,250 and everyone else received £3,750. There were approx. 9,000 cases across all fire and rescue services.

The 2020 claims had been offered £2,075 however this had not been accepted.

The Board were advised that the Solicitor had requested confirmation of how many cases CFRS there were but the solicitors dealing with the claims had not yet responded. All the information known so far relates to claims supported by the FBU, however, the situation with other trade union representatives, such as Fire Officer's Association is not yet known.

The Scheme Manager advised that a group of retired firefighters had sent all Fire Authority Members a letter regarding the Service's current position on Immediate Detriment and stating that twenty fire services across the UK have been or were currently paying out immediate detriment. The letter would be responded to accordingly and Members would be updated on the situation at the Member Planning Day on 31<sup>st</sup> March 2023.

**RESOLVED: That**

**[1] the update and comments raised be noted.**

## **7 FIREFIGHTER PENSION SCHEME RISK REGISTER**

The Pensions Manager presented the Firefighter Pension Scheme Risk Register (the Register) that had been reviewed and updated in March 2023. Updates since the last meeting were highlighted in blue in the document.

The Pensions Manager provided comments on each of the updated risks. The Board



were advised that two new risks had been included on the Register since the last meeting and these related to:-

- McCloud: Remedying legislation finalised close to October 2023
- Loss of knowledge resource in LGA Team: Current Senior Pensions Advisor to leave LGA in April 2023 and other resource was on maternity leave / recruitment may be difficult due to the lack of people in the market for pension roles.

**RESOLVED: That**

**[1] the Firefighter Pension Scheme Risk Register be noted.**

## **8 JCNP PENSIONS UPDATE**

The Pension Scheme Manager reported that the main issues raised at meetings of the JCNP by the FBU was in relation to the Service's Position on Immediate Detriment.

She confirmed that following a request by the FBU, indicative costings had been shared with the caveat that the figures did not represent an accurate, or reliable estimate of the expected costs and that the FBU should not circulate the estimates wider or with staff.

**RESOLVED: That**

**[1] the update be noted.**

## **9 PENSION BOARD TRAINING UPDATE**

The Pension Scheme Manager advised that the LGA Pensions Team had provided annual training to the Board in August 2022. Due to the staff changes within the LGA Pension Team (as detailed in the Register) further training would be arranged in late Summer once the new LGA Senior Pensions Advisor had been appointed and was in post.

**RESOLVED: That**

**[1] the update be noted.**





# **Cheshire Fire**

## **Pension Board Report**

2022-2023 (Q4)

2023-2024 (Q1)

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# 01 Overview

## Regulations and Guidance

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### January 2023

LGA issued bulletin 65

Key points:-

**Ill-health reassessment factsheet updated:**

The factsheet has been updated to include FPS2006 special members.

**Template member consent letters**

Letters for scenarios one, two, seven and nine as referred to in the ill-health reassessment factsheet have been added to the retrospective remedy webpage.

**Potential Industrial Action:**

LGA are planning to provide sample communications for FRA's if industrial action goes ahead and members wishing to repay the missing period of service.

**Actions required: -**

**Template Ill-Health reassessment letters:**

FRA's to identify affected members of the pension scheme who may need to be sent for an ill-health reassessment and arrange for the appropriate member consent letter to be sent to him.

**SAB levy 2022-23 – request for Purchase Order numbers:**

FRA's to provide a valid purchase order number, stating the number of employees eligible to join one of the Firefighters' Pension Schemes as of 1<sup>st</sup> April 2022, using the form provided with the SAB 2022-23 levy letter.

### February 2023

XPS attended the Fire Technical Working Group – 17<sup>th</sup> February 2023

LGA issued bulletin 66

Key points:-

**New webpage on the FPS member website**

The webpage relating to the 2015 remedy is now available for members on FPS member website.

**FPS Contribution Bandings for 2023-24**

The contribution banding factsheet which confirms the contribution rates that apply for 2023-24 as set out in the scheme regulations is now available and confirms that there are no changes to the relevant rates for 2023

**Matthews pre-work factsheet for FRA's**

Matthews pre-work factsheet is now available which is designed to help FRA's to identify the work which should be done before the Matthews legislation comes into force.

**Actions required: -**

**Data collection for 2015 remedy**

FRA's to ensure that the data collection template is completed and sent to administrators so that administrators and FRA's are prepared for the implementation of remedy from 1 October 2023

### **Pension scheme migration**

Migrate to the managing pension schemes service as soon as possible

### **The Bereavement benefits remedial order 2022**

FRA's and administrators to share this information in communication with pensioners

## **March 2023**

### **LGA issued bulletin 67**

#### **Key points:-**

#### **The Pension Increase (Review) Order 2023**

This order was laid before parliament on 20<sup>th</sup> March 2023 coming into force on 10<sup>th</sup> April 2023, 10.1%.

#### **Judgement on cost cap mechanism**

On 10<sup>th</sup> March 2023 the High Court ruled that HM Treasury's decision to include the McCloud/Sargeant remedy in the cost cap mechanism was not unlawful.

#### **SCAPE Discount Rate methodology consultation response**

On 30<sup>th</sup> March 2023, the UK Government announced the publication of its response to the June 2021 consultation.

#### **Actions required: -**

#### **Consultation on the Firefighters' Pension Scheme (Remediable Service) Regulations 2023**

All interested parties are encouraged to respond to the consultation by the deadline of 23 May 2023.

#### **Top up grant 2023 – Collection of pensions accounting data:**

FRA's to start preparing their pensions income/expenditure data in order to submit their returns by the Home Office deadline.

#### **Spring budget 2023:**

FRA's and administrators to share this information with the relevant parties within their organisation.

#### **DWP announces delays to dashboard connection deadlines:**

FRA's and administrators to make sure that relevant parties within their organisation are aware of the announcement and TPR's actions.

## **April 2023**

### **LGA issued bulletin 68**

Bulletin 68 covered many topics most with actions arising, see below:-

#### **Actions arising**

#### **Consultation on the Firefighters' Pension Scheme (Remediable Service) Regulations 2023**

FRA's are encouraged to respond to the consultation by the deadline of 23<sup>rd</sup> May 2023.

XPS will be providing their response as third party administrator.

#### **Consultation on Retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme (England) 2006**

FRA's are encouraged to respond by the deadline of 9<sup>th</sup> June 2023

XPS will be providing their response as third party administrator.

#### **Commutation on retirement factors and guidance update**

Following the announcement of the revised SCAPE rate, the Government Actuary's Department (GAD) published revised commutation on retirement from FPS 1992 factors and guidance. The factors are effective from 3 April 2023, inclusive.

XPS confirm that they are using the correct factors

### **Secondary Contracts – Injury and Death Benefits**

LGA suggest that FRA's review their contracts to ensure that a secondary contract has been awarded correctly.

No further action required by XPS

### **Matthews Poster**

LGA has been published a Matthews Poster which can be found under the Second options exercise resources on the special members of FPS 2006 page

Each FRA can personalise the poster and publicise the second options exercise at their fire authority and fire stations.

### **Annual Allowance - Impact of the backdated pay award**

FRA's and administrators to consider the factsheet when determining their calculations for Annual Allowance where a backdated pay award has occurred.

### **Generic Text for Retirement and Estimates Letters**

The Fire Communications Working Group has agreed template wording for FRA's or Administrators to include within their estimate/retirement letters to cover re-employment.

FRA's and/or administrators need to consider whether to include this in their letters.

### **Request for contact details**

FRA's are requested to remind members, in correspondence, which is sent out, to keep their administrators updated of any change in address or contact details.

FRA's to include a request in correspondence to all members.

### **Other News**

Firefighter pensions will be increased in line with the annual increase in the Consumer Prices Index up to September 2022. The increase from 10 April 2023 is 10.1 per cent except for pensions which have been in payment for less than a year, which will receive a pro-rata increase.

### **HMRC retained firefighter bulletin**

We are aware that HMRC have recently sent out emails to Fire Authorities in England, Wales and Northern Ireland asking for further information in relation to National Insurance refunds for retrospective entry into the pension scheme.

Each Fire Authority scheme has received information bespoke to them.

HMRC have provided further clarity around the information they have requested which can be located in the first options exercise resource area of the Regulations and Guidance website..

## **May 2023**

XPS attended the Fire and Police Pensions Data Conference on Wednesday 17 May 2023 at 18 Smith Square, Westminster, London

### **LGA issued Bulletin 69**

Bulletin 69 covered many topics most with actions arising, see below:-

### **Consultation on the Firefighters' Pension Schemes (Remediable Service) Regulations 2023**

FRA's and administrators should familiarise themselves with the response, ahead of the Home Office's response to the consultation.

### **The Pension Regulator data requirements – 2023 scheme return**

FRA's and administrators to review the data scoring guidance for 2023 ahead of the scheme return.

### **Ill health re-assessment IQMP template referral letters available**

FRA's should send these and the relevant accompanying documentation to the IQMP using the relevant IQMP template referral letter

### **Data Conference Slides**

FRA's to view the slides and consider data more strategically now and in the future

### **Age Discrimination remedy – data sharing**

Administrators to share pensionable data for members who are subject to age discrimination remedy and have had an interbrigade transfer during the remedy period with their current FRA's administrator on request.

### **Automatic enrolment – Call for evidence**

FRAs to be aware of this call for evidence.

### **The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No. 2) Regulations 2023**

Interested parties to review the consultation and establish whether you wish to respond to the consultation by 19 June 2023.

XPS will providing their response as third party administrator

### **Government Actuaries Department (GAD) – updated factors**

On 25 May 2023, Home Office confirmed that the following factors had been updated.

- CETVs, Pensioner cash equivalents, Pension credits, Pension debits

## **June 2023**

### **LGA issued Bulletin 70**

Bulletin 70 covered many topics most with actions arising, see below:-

#### **Consultation on the retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme (England) 2006:**

FRAs and administrators to familiarise themselves with the LGA's response to the consultation ahead of the Home Office's response.

#### **Consultation on The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No.2) Regulations 2023:**

FRAs and administrators to familiarise themselves with the LGA's response to the consultation ahead of the HMRC's response.

#### **Data Collection for 2015 remedy:**

FRAs to ensure that the data collection template is completed and sent to administrators by their set deadlines, so that they are prepared for the implementation of remedy from 1 October 2023.

#### **Firefighters Pay Scales:**

FRAs to make themselves familiar with the pay scales available ahead of the Special members FPS 2006 (Matthews) remedy exercise to commence in October 2023.

Pay scales have been located going back to 1962. These have been added to Firefighter Pay Scales page on the member restricted area on the Firefighters' Regulations and Guidance website.

#### **Home Office collection of FPS forecasts for 2023-24 to 2028-29:**

FRAs should start preparing to collate the necessary information, this is similar to that provided last year.

#### **Consultation on the retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme (England) 2006:**

FRAs and administrators to familiarise themselves with the SAB's response to the consultation ahead of the Home Office's response.

#### **Consultation on The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No.2) Regulations 2023:**

FRAs and administrators to familiarise themselves with the SAB's response to the consultation ahead of the HMRC's response.

#### **Added Years Factsheet:**

FRAs and Administrators to ensure they are using the updated version on their websites. LGA have updated the Added Years Factsheet to include the rate for 2023, this can be found on the factsheet page of the Firefighters Pensions Regulations and Guidance website.

#### **Government Actuary's Department (GAD): Data Projects and Long-Term Strategy:**

FRAs are advised to read GAD's write up of the event and their broader focus on data.

#### **Remedy readiness self-assessment tool:**

Scheme managers to complete the self-assessment tool and report back to their senior teams and local pensions boards.



## Data Conference Q and As: Pension Dashboards:

FRAs and administrators may wish to review the Q and A's for information.

## Remedy member examples by GAD:

FRAs and administrators should read these with reference to slide 15 from the coffee morning of 26 January 2023.

## The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No. 2) Regulations 2023

XPS as third-party administrators provided their response on 16 June 2023.

Other news and updates on Pension Dashboards and The Pension Regulator are included in the bulletin.

# 02 Member Self Service

Quarter 1	REGISTERED	ACCOUNT DISABLED	ACTIVATION LINK SENT	NOT REGISTERED	TOTAL	% Up Take
Actives	345	5	17	291	653	53.6%
Deferred	151	6	6	413	570	27.5%
Pensioner	284	6	8	516	808	35.9%
Widow/Dep	9	0	0	109	118	7.6%
Total	789	17	31	1,329	2,149	37.5%

<i>Fire Averages for comparison with FRA'</i>						
	REGISTERED	ACCOUNT DISABLED	ACTIVATION LINK SENT	NOT REGISTERED	TOTAL	% Up Take
Actives	13.8%	0.1%	0.9%	14.2%	750	13.8%
Deferred	5.6%	0.1%	0.3%	14.0%	306	5.6%
Pensioner	13.6%	0.2%	0.6%	29.5%	738	13.6%
Widow/Dep	0.6%	0.0%	0.0%	6.7%	35	0.6%

<b>Age profile for active members who have registered for MSS</b>			
<b>Under 22</b>	0.31%	<b>Aged 46 - 50</b>	23.27%
<b>Aged 23 - 25</b>	2.20%	<b>Aged 51 - 55</b>	12.58%
<b>Aged 26 - 30</b>	7.55%	<b>Aged 56 - 60</b>	4.09%
<b>Aged 31 - 35</b>	14.47%	<b>Aged 61 - 65</b>	0.94%
<b>Aged 36 - 40</b>	13.84%	<b>Aged 65+</b>	0.31%
<b>Aged 41 - 45</b>	20.44%		

# 03 Common Data

<b>Cheshire Fire</b>				
<b>Data Test</b>	<b>Common data score</b>			
	<b>Max Population</b>	<b>Total Fails</b>	<b>% OK</b>	
NINO	2478	3	99.88%	
Surname	2478	0	100.00%	
Forename / Inits	2478	0	100.00%	
Sex	2478	0	100.00%	
Title	2478	0	100.00%	
DoB Present	2478	0	100.00%	
DJS	2478	0	100.00%	
Status	2478	0	100.00%	
Last Status Event	2478	4	99.84%	
Status Date	2478	24	99.03%	
No Address	2478	0	100.00%	
No Postcode	2478	7	99.72%	
Address (All)	2478	54	97.82%	
Postcode (All)	2478	59	97.62%	
Members with a Fail	2478	34	98.63%	
Members with Multiple Fails	2478	55	97.78%	

# 04 Membership

## Quarter 1 2023 - 2024

Scheme	Actives	Deferred	Pensioner	Widow	Dependant
Old-FPS	0 -	55 ▼	734 ▲	107 ▼	2 -
New-NFPS	2 -	229 ▲	53 -	4 ▲	2 ▲
CARE - 2015	654 ▲	285 ▲	21 ▲	2 -	0 -
<b>Total</b>	<b>656 ▲</b>	<b>569 ▲</b>	<b>808 ▲</b>	<b>113 ▼</b>	<b>4 ▲</b>

## Quarter 4 2022 - 2023

Scheme	Actives	Deferred	Pensioner	Widow	Dependant
Old-FPS	0 -	56 ▼	730 ▲	109 ▼	2 -
New-NFPS	2 ▲	225 ▼	53 ▲	3 -	0 -
CARE - 2015	626 ▼	273 ▲	17 ▲	2 -	0 -
<b>Total</b>	<b>628 ▼</b>	<b>554 ▲</b>	<b>800 ▲</b>	<b>114 ▼</b>	<b>2 -</b>

## Quarter 3 2022 - 2023

Scheme	Actives	Deferred	Pensioner	Widow	Dependant
Old-FPS	0 -	59 -	726 ▲	111 ▲	2 ▼
New-NFPS	1 -	227 ▼	51 -	3 -	0 -
CARE - 2015	649 ▲	254 ▲	16 ▲	2 -	0 -
<b>Total</b>	<b>650 ▲</b>	<b>540 ▲</b>	<b>793 ▲</b>	<b>116 ▲</b>	<b>2 ▼</b>

## Quarter 2 2022 - 2023

Scheme	Actives	Deferred	Pensioner	Widow	Dependant
Old-FPS	0 -	59 -	719 ▼	110 ▼	3 -
New-NFPS	1 ▼	229 ▲	51 ▲	3 -	0 -
CARE - 2015	637 ▲	243 ▲	13 ▲	2 -	0 -
<b>Total</b>	<b>638 ▲</b>	<b>531 ▲</b>	<b>783 ▲</b>	<b>115 ▼</b>	<b>3 -</b>

## Quarter 1 2022 - 2023

Scheme	Actives	Deferred	Pensioner	Widow	Dependant
Old-FPS	0 ▼	59 ▲	720 ▲	112 ▲	3 -
New-NFPS	3 ▼	228 ▲	48 ▲	3 -	0 -
CARE - 2015	612 ▼	234 ▲	10 ▲	2 -	0 -
<b>Total</b>	<b>615 ▼</b>	<b>521 ▲</b>	<b>778 ▲</b>	<b>117 ▲</b>	<b>3 -</b>

## Previous Quarter 4

Scheme	Actives	Deferred	Pensioner	Widow	Dependant
Old-FPS	9 ▼	57 ▼	718 ▲	110 ▲	3 -
New-NFPS	9 ▼	224 -	46 ▲	3 -	0 -
CARE - 2015	622 ▼	215 ▲	9 -	2 -	0 -
<b>Total</b>	<b>640 -</b>	<b>496 -</b>	<b>773 -</b>	<b>115 -</b>	<b>3 -</b>

# 05 Completed Cases Overview

2022/23

Cheshire Fire	Cases completed	Cases completed within target	Cases completed outside target	Cases: % within target
April	35	29	6	83%
May	67	51	16	76%
June	43	36	7	84%
<b>Quarter 1</b>	<b>145</b>	<b>116</b>	<b>29</b>	<b>80%</b>
July	42	37	5	88%
August	38	37	1	97%
September	41	37	4	90%
<b>Quarter 2</b>	<b>121</b>	<b>111</b>	<b>10</b>	<b>92%</b>
October	91	90	1	99%
November	66	62	4	94%
December	57	54	3	95%
<b>Quarter 3</b>	<b>214</b>	<b>206</b>	<b>8</b>	<b>96%</b>
January	101	100	1	99%
February	38	37	1	97%
March	73	70	3	96%
<b>Quarter 4</b>	<b>212</b>	<b>207</b>	<b>5</b>	<b>98%</b>
<b>Year - Total</b>	<b>692</b>	<b>640</b>	<b>52</b>	<b>92%</b>

2023/24

Cheshire Fire	Cases completed	Cases completed within target	Cases completed outside target	Cases: % within target
April	48	40	8	83%
May	116	113	3	97%
June	61	50	11	82%
<b>Quarter 1</b>	<b>225</b>	<b>203</b>	<b>22</b>	<b>90%</b>
<b>Year - Total</b>	<b>225</b>	<b>203</b>	<b>22</b>	<b>90%</b>

Further details of the cases completed outside of the KPI are below:

Month	Area	Detail
January	Transfer In	One transfer into the scheme update that was delayed and finalised outside of the normal timeframe. There was no impact on payment.
February	Deferred	One deferment of a members record that was completed outside of the normal timeframe. There was no impact on payment.
March	General	Three general cases completed late. One was a request for a breakdown of a calculation from Cheshire Fire. One was a request from a member to explain how contracting out had

		affected their pension. One was a request from a member for an update on their ongoing transfer into the scheme. No impacts on payments in all cases.
April	Estimates	Three estimates relating to two members, one of whom had Annual Allowance debits that required further calculations and additional checking. No impact on payment.
	General	One enquiry regarding rule on transferring into the scheme. No impact on payment.
	Transfers In	One transfer into the scheme calculation. No impact on payment.
May	Estimates	One estimate for a member with a split pension and temporary promotion calculation that required additional checking. No impact on payment.
	General	One response to another FRA on an interbrigade transfer query. One update to a member record dealt with on the incorrect workflow. No impact on payment.
June	Deferred	Four deferments of records, three of which related to the deferring of 2015 records where the 1992 scheme was being brought into payment. No impact on payment.
	General	One query from the FRA around the transfer value paid on an interbrigade transfer to a Scottish FRA. One query from member on scheme rules. No impact on payment.
	Transfers Out	A cross border transfer out quote to a Welsh FRA considering PSO and AA debits which required additional checking. No impact on payment.

# 06 Completed Cases by Month

## January 2023

Cheshire Fire

Service	Days	Minimum Target	Cases	Within Target	Actual Performance
Death in Service	5	100	0	0	0
Death of a pensioner	5	100	1	1	100
Deferred Benefits	10	90	9	9	100
Divorce Cases	30	100	0	0	0
Estimates	10	100	1	1	100
General	10	100	15	15	100
Processing new entrants	10	90	1	1	100
Refunds	10	100	0	0	0
Retirement Actual	10	100	3	3	100
Retirement Options	10	100	2	2	100
Transfers – in (Calculation)	10	90	1	1	100
Transfers – in (Payment received)	10	90	5	4	80
Transfers – Out (Calculation)	10	100	0	0	0
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	63	63	100

## February 2023

Cheshire Fire

Service	Days	Minimum Target	Cases	Within Target	Actual Performance
Death in Service	5	100	0	0	0
Death of a pensioner	5	100	2	2	100
Deferred Benefits	10	90	6	5	83
Divorce Cases	30	100	1	1	100
Estimates	10	100	2	2	100
General	10	100	10	10	100
Processing new entrants	10	90	0	0	0
Refunds	10	100	0	0	0
Retirement Actual	10	100	0	0	0
Retirement Options	10	100	4	4	100
Transfers – in (Calculation)	10	90	1	1	100
Transfers – in (Payment received)	10	90	0	0	0
Transfers – Out (Calculation)	10	100	0	0	0
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	12	12	100

## March 2023

Cheshire Fire

Service	Days	Minimum Target	Cases	Within Target	Actual Performance
Death in Service	5	100	0	0	0
Death of a pensioner	5	100	1	1	100
Deferred Benefits	10	90	9	9	100
Divorce Cases	30	100	3	3	100
Estimates	10	100	3	3	100
General	10	100	15	12	80
Processing new entrants	10	90	2	2	100
Refunds	10	100	0	0	0
Retirement Actual	10	100	6	6	100
Retirement Options	10	100	5	5	100
Transfers – in (Calculation)	10	90	1	1	100
Transfers – in (Payment received)	10	90	0	0	0
Transfers – Out (Calculation)	10	100	0	0	0
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	28	28	100

## April 2023

Service	Days	Minimum Target	Cases	Within Target	Actual Performance
Death in Service	5	100	1	1	100
Death of a pensioner	5	100	1	1	100
Deferred Benefits	10	90	0	0	0
Divorce Cases	30	100	11	8	73
Estimates	10	100	10	6	60
General	10	100	9	9	100
Processing new entrants	10	90	0	0	0
Refunds	10	100	2	2	100
Retirement Actual	10	100	1	1	100
Retirement Options	10	100	2	1	50
Transfers – in (Calculation)	10	90	0	0	0
Transfers – in (Payment received)	10	90	0	0	0
Transfers – Out (Calculation)	10	100	0	0	0
Transfers – Out (Payment)	10	100	11	11	100
Variations	10	90	1	1	100

## May 2023

Service	Days	Minimum Target	Cases	Within Target	Actual Performance
Death in Service	5	100	0	0	0
Death of a pensioner	5	100	2	2	100
Deferred Benefits	10	90	13	13	100
Divorce Cases	30	100	0	0	0
Estimates	10	100	3	2	67
General	10	100	13	11	85
Processing new entrants	10	90	37	37	100
Refunds	10	100	0	0	0
Retirement Actual	10	100	2	2	100
Retirement Options	10	100	4	4	100
Transfers – in (Calculation)	10	90	2	2	100
Transfers – in (Payment received)	10	90	0	0	0
Transfers – Out (Calculation)	10	100	0	0	0
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	40	40	100

## June 2023

Service	Days	Minimum Target	Cases	Within Target	Actual Performance
Death in Service	5	100	0	0	0
Death of a pensioner	5	100	1	1	100
Deferred Benefits	10	90	8	0	0
Divorce Cases	30	100	0	0	0
Estimates	10	100	3	3	100
General	10	100	13	11	85
Processing new entrants	10	90	3	3	100
Refunds	10	100	0	0	0
Retirement Actual	10	100	1	1	100
Retirement Options	10	100	1	1	100
Transfers – in (Calculation)	10	90	0	0	0
Transfers – in (Payment received)	10	90	1	1	100
Transfers – Out (Calculation)	10	100	1	0	0
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	29	29	100

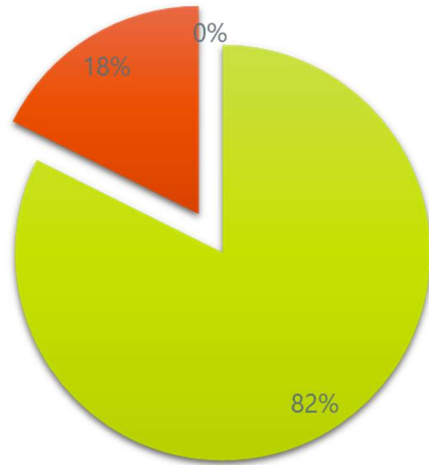


# 07 Complaints

Full Name	Description	Date received	Date completed	Comment
Nil return				

# 08 Telephony

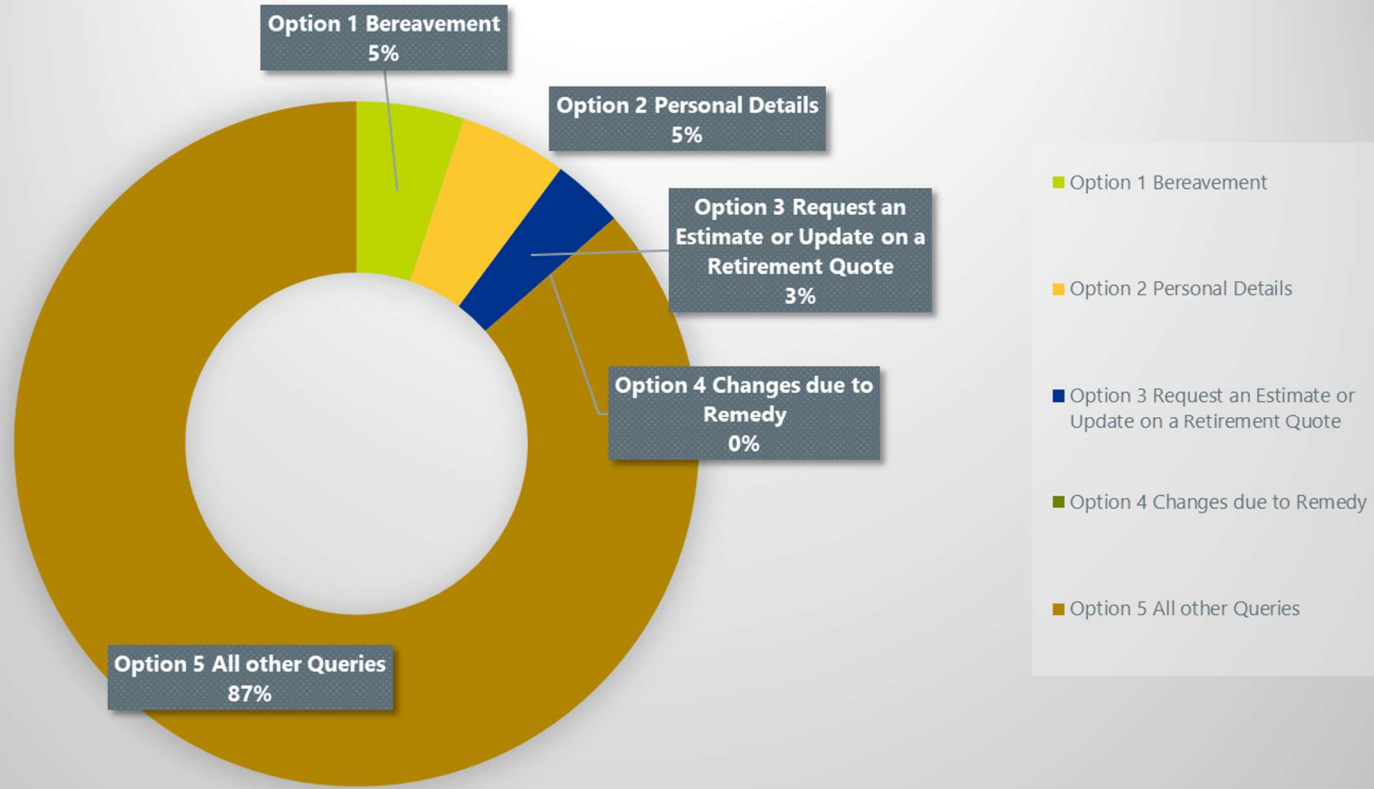
Q1 2023



Total Calls	68
Answered Calls	56
Abandoned Calls	12
Short Abandoned Calls	0
Average Wait Time	00:05:20
Average Duration	00:13:05
Average Abandon Time	00:01:27

■ Answered ■ Abandoned ■ Short Abandoned

Summary of Performance	
Highlights / Key Achievements	Challenges
<ul style="list-style-type: none"> <li>Of the 12 abandoned calls,                             <ul style="list-style-type: none"> <li>3 Abandoned calls presented out of hours</li> <li>4 Calls abandoned during the IVR</li> <li>5 Calls abandoned in waiting</li> </ul> </li> </ul>	





**Graeme Hall**  
Operation Manager  
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## CHESHIRE FIRE AUTHORITY

**MEETING OF:** LOCAL PENSION BOARD – FIREFIGHTERS PENSION SCHEME  
**DATE:** 15 AUGUST 2023  
**REPORT OF:** PENSION SCHEME MANAGER  
**AUTHOR:** JILL SWIFT

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**SUBJECT:** FIREFIGHTER PENSION SCHEME UPDATE

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### **Purpose of Report**

1. The purpose of this report is to provide the Local Pension Board with an update on current issues relating to the Firefighters' Pension Scheme and the local governance arrangements in place to ensure effective administration of services.

### **Information**

#### **Membership Statistics**

2. Current membership statistics are detailed in Appendix A. There are currently no significant changes in membership.

#### **FPS Bulletin – Actions Arising**

3. FPS Bulletin 67 – Following the announcement in the spring budget about the removal of the Lifetime Allowance, HM Revenue and Customers (HMRC) provided a summary of the changes to provide to scheme members. This information has been communicated in the Green Bulletin and on the staff intranet.
4. FPS Bulletin 68 – The Local Government Association (LGA) communications team provided a template poster for services to use to publicise the Matthews remedy options exercise for on call firefighters. Work is underway in our communications team to personalise this poster for Cheshire Fire. Once complete this will be sent out to stations to be placed on their notice boards. This will help raise awareness of the options exercise and aide in tracing any ex-employees that existing staff might still be in contact with.
5. FPS Bulletin 68 – The LGA have provided suggested wording for retirement letters to ensure that members are aware of certain implications for their pension payments and tax if they are re-employed by another fire service after retirement. This information will be included in our new Step Away retirement guide which will be launched soon.

6. FPS Bulletin 69 – Members in scope for the McCloud remedy who were ill-health retired will need to have their cases reassessed in advance of October to ensure they will qualify for ill-health benefits in their alternative scheme and to confirm what level of benefits they will be entitled to. The LGA have provided Services with template letters both for members and for the independent doctors who will be required to re-assess the cases. All members in this cohort were contacted for their consent to carry out the re-assessment and most have now responded.
7. FPS Bulletin 69 – As part of the McCloud remedy, data about pay and contributions is needed for the full 7 years of the remedy period. In some cases, members may have transferred in or out of Cheshire during this period. Therefore, administrators will need to liaise with other services for the missing data. At present the data collection exercise is ongoing but should be complete by the end of August. Any data for transfer cases will then be sent to the necessary administrators.

### **McCloud – Retrospective Remedy Consultation Response**

8. The primary legislation (the Public Service Pensions and Judicial Offices Act) lays out how the remedy should be implemented. From October 2023, members in scope will be ‘rolled back’ to their legacy scheme for the remedy period. However, further regulations were needed to amend Firefighters’ Pension Scheme specific rules to allow this rollback to occur.
9. On 28 February, the Home Office launched a consultation on the amendments to the pension scheme regulations to enact the second phase of the McCloud remedy, known as retrospective remedy. The Government’s response to this consultation was published on 20 July and the final regulations were laid in Parliament on 20 July. These regulations come into force on 1 October 2023.
10. Whilst the scheme specific regulations have now been finalised, there are several outstanding elements still needed for the remedy. The Government Actuary’s Department (GAD) are in the early stages of developing a calculator for Services to use to calculate tax relief, compensation, and interest.
11. Further tax regulations, The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No. 2) Regulations 2023, were consulted on in May and June. The consultation sought views on several outstanding technical issues covering annual allowance, lifetime allowance, unauthorised payments and the processes that need to be followed, by both members and administrators, to report tax adjustments and claim refunds for tax charges. A response is expected in August.
12. HM Revenue and Customs are currently developing guidance on the processes to be followed and these will be published in the Autumn.

## **McCloud – Project Update**

13. Services must complete several key tasks in readiness for retrospective remedy in October. An update of progress against these deliverables is provided at Appendix B.
14. XPS pensions have also provided information about the project plan to implement the Heywoods software solution for remedy calculations, and a proposed order of prioritisation for retirement cases post October. This is provided at Appendix C.
15. Alongside these tasks, regular communications will be sent out to active members and any members who were in scope for immediate detriment to ensure they are kept informed of any important changes and to distribute member guides when they are published.
16. A communication was sent to immediate detriment members in June to update them on the ongoing consultations and provide details of the retirement process for anyone wishing to retire from October onwards. It also outlined how the Service will prioritise immediate choice cases for those who have already retired and are awaiting remedy to be applied to their pensions.
17. Whilst it is appreciated that immediate choice members would hope to receive any options and backpay as soon as possible after October, the remedying regulations allow administrators up to 18 months to complete this work. Whilst XPS have a dedicated project team for the McCloud remedy, immediate choice cases will have to be calculated manually which therefore means cases will take some time to work through.
18. Priority will be given to those cases involving deaths, ill health retirement or where members have tapered or no protection.

## **Matthews Remedy**

19. On 31 March 2023 the Government published a consultation seeking views on further remedy for those individuals who were employed as retained firefighters between 7 April 2000 and 5 April 2006 by providing retrospective access to the modified section of Firefighters' Pension Scheme 2006 (referred to as 'the Modified Scheme'). This consultation closed on 19 June and a response is expected in late summer.
20. In 2014 an options exercise was carried out to provide members in scope with the opportunity to join the Modified Scheme, which provides benefits broadly equivalent to the 1992 scheme and a normal retirement age of 55. Members could backdate their membership to 1 July 2000. However, a subsequent legal challenge in 2018, means that members will now have a further option to backdate their membership to their service start date where this was before 1 July 2000.

21. Legislation will be required to enact the scheme changes that are needed. This is expected to be in place by October and the options exercise will run for 18 months until March 2025.
22. Although the options exercise process will be similar to 2014, the 2023 options exercise is likely to be made more difficult due to the timeframes involved. Some members have service going back as far as 1964. Services are unlikely to hold pay, tax or rank information for this period, therefore a number of assumptions will have to be used to complete the calculations.
23. An added complication is that some members will be in scope for both the Matthews and McCloud remedies. The proposal is that the Matthews remedy will need to be actioned before McCloud, and these cases should be prioritised for the purposes of the Matthews options exercise.
24. It has been difficult to locate pay scales going back further than the 80s. Information has recently been obtained going back to the early 60s, however this was before decimalisation and some of the pay is listed in shillings.
25. In the 2014 options exercise, attempts were made to trace leavers using the electoral register. However, a large number were not traceable. A similar tracing exercise will need to take place for the 2023 options exercise, however further steps will be taken including posters for stations, liaison with retirement associations and possibly the use of a tracing agency.
26. GAD is currently developing a calculator to allow Services to carry out the necessary calculations to determine how much service members can buy and how much this will cost. The calculator will incorporate interest on contributions and pension payments due and will provide the member with details of the cost on a lump sum or instalment basis. The 2023 options calculator will also include a benefits projector to provide members with an indication of how much pension the service could buy.
27. A small number of members may have been retained firefighters and, before April 2006, left their retained role and became wholetime firefighters with access to the 1992 scheme. In the first options exercise these members were not able to aggregate their Modified service with their 1992 service. However, the Fire Brigades Union are currently challenging this through the Employment Tribunal. If their challenge is successful, further remedy may be needed for these members.

### **SCAPE Discount Rate Changes**

28. On 30 March the Government announced a change to the Superannuation Contributions Adjusted for Past Experience discount rate (SCAPE rate). The SCAPE rate is used to set various factors used in pension calculations including the commutation factors used to calculate lump sums in the 1992 scheme.



29. The commutation factors were updated with effect from 3 April 2023. The factors have increased, meaning any members who have retired from 3 April will have a larger lump sum than anticipated.
30. The SCAPE discount rate is used alongside other factors such as earnings changes, changes to life expectancy and demographic assumptions to determine employer contribution rates in the Firefighters' Pension Scheme. When the SCAPE rate decreases, as it has during this review, it often results in employer contribution rates being increased.
31. The final position of the 2020 valuation will be published later this year and new employer contribution rates will apply from April 2024. The employer rate is expected to rise significantly. HM Treasury have indicated that Services will receive funding in 2024/25 to cover any part of the employer rate increase that is specifically linked to the SCAPE rate changes.

### **Pensions Dashboard Programme**

32. On 2 March 2023, the Department for Work and Pensions (DWP) announced a reset of the Pension Dashboard Programme (PDP). In their statement they confirmed that they would be unable to meet the connection deadlines originally set as the development of the digital architecture had proven to be more challenging than anticipated.
33. On 8 June, a ministerial statement was made announcing amending legislation had been laid to replace the original phased timeline with a single connection deadline of 31 October 2026. However, the regulations will still allow the Department for Work and Pensions to set out a staged timeline for individual schemes. Further guidance will be released later in the year.
34. Due to ongoing the volume of work for both administrators and Services due to the McCloud and Matthews remedy, this delay is welcomed. However, administrators and software providers should utilise the additional time to continue to prepare for the dashboard.

### **Revaluation Rate Correction**

35. On 6 July, the Home Office made a statement advising that there had been an error with the revaluation rate which has been set for 2021 and 2022 in the Armed Services and Firefighters' Pension Schemes.
36. Each April, public sector career average pensions earned in the previous year are revalued. The index used to determine the revaluation rate varies between public sector pension schemes. In the armed services and firefighter schemes the index used is the Average Weekly Earnings index (AWE).
37. The rates are set out in legislation each year. Unfortunately, when the rates were set in 2021 and 2022, provisional rates were quoted instead of final rates. The revaluation rates should have been higher, therefore any 2015

scheme pensions that have been put into payment since 2021 will need to be corrected. This may also affect any transfer calculations that have been done during this period.

	<b>Provisional Rate</b>	<b>Final Rate</b>
<b>2021</b>	2.4%	2.6%
<b>2022</b>	4.1%	4.5%

38. Active and deferred member accounts will also need to be corrected to ensure they have accrued the correct pension accrual from 2021 onwards
39. As these rates are set in law in the form of Treasury Orders, it will be difficult to correct this in future years or through scheme regulations, therefore HM Treasury will need to carry out further work to resolve this, which may require amending legislation. The Home Office have advised administrators not to take any action yet and they will provide further instructions in due course.

### **Pension Tax Updates**

40. The government announced that from 6 April 2023 the lifetime allowance charge would be removed. The lifetime allowance will be fully abolished from the 2024 to 2025 tax year, through a future Finance Bill. The lifetime allowance framework therefore remains in place from 6 April 2023, and it is just the lifetime allowance charge that has been removed at this stage.
41. As a result of the changes to the lifetime allowance, the maximum amount which a member can take as a lump sum will be frozen at £268,275, which is 25% of the current standard lifetime allowance of £1,073,100. Members with a protected right to take a lump sum higher than this amount, will continue to be able to access this right, but any excess lump sum above this cap will be taxable at the member's marginal tax rate through the PAYE tax system i.e. income tax. Previously excess lump sums were taxed under the pensions tax framework rather than PAYE.
42. HM Revenue and Customs have now provided further details on how to process these payments. To ensure income tax is calculated, deducted, and reported correctly, payments should be processed through a PAYE compliant payroll system.
43. As a result, changes will be needed to the current payment process for lump sums. At present, lump sums are paid in one payment, usually the day the member retires. Going forwards, any member who receives a lump sum over £268,275 will receive the payment in two parts. Up to £268,275 will be paid as usual the day the member retires. The excess lump sum will be processed through the next available payroll.
44. XPS pensions will be updating their options pack to ensure this is clear for members and will provide estimated lump sum figures based on the

assumption that the member will pay 45% income tax on the excess lump sum.

### **General Updates**

45. As reported to the Board in November, in 2022 public sector unions were granted a judicial review in relation to the McCloud/Sergeant remedy costs inclusion in the 2016 control cap valuation. The hearing was held between 30 January and 3 February 2023.
46. On 10 March, the High Court ruled that HM Treasury's decision to include the McCloud remedy in the cost cap mechanism was not unlawful. The judge ruled in favour of HM Treasury on all grounds and refused permission to appeal. However, the unions were able to apply for permission to appeal directly to the Court of Appeal.
47. The cost control mechanism has since been amended so that only 2015 scheme costs will be considered for the 2020 valuation onwards.
48. However, the unions argue that the same approach should have been taken with the 2016 valuation. If legacy scheme costs had been excluded, the cost of the scheme would have reduced below the floor threshold, meaning that members would have benefited from lower contribution rates or higher accrual rates for the period April 2019 to March 2023.
49. They have now been granted permission by the Court of Appeal to appeal the ruling. The date of the hearing is yet to be confirmed.

**CONTACT: DONNA LINTON, GOVERNANCE AND CORPORATE PLANNING  
MANAGER  
TEL [01606] 868804  
BACKGROUND PAPERS: NONE**



## Appendix A

### Membership

\*Please note these are Q4 22/23 stats as we have not yet received the Q1 reports

Scheme	Active	Deferred	Pensioner	Widow	Dependant
1992 Scheme	0	56	730	110	2
2006 Scheme	0	225	53	3	0
2015 Scheme	628	273	17	3	2
<b>Total</b>	<b>628</b>	<b>554</b>	<b>800</b>	<b>116</b>	<b>4</b>

### Opted Out Members v Active Members

Scheme	Operational Staff	% of WT	% of total operational employees
Wholetime Active Members	411	96.2%	61.7%
Wholetime Opted Out	16	3.8%	2.4%
		% of On Call	% of total operational employees
On Call Active Members	215	90%	32.3%
On Call Opted Out	24	10%	3.6%
<b>Total</b>	<b>666</b>		<b>100%</b>

94% of operational employees are in a pension scheme. 6% are opted out.

### Membership by Age and Ethnicity

Membership by Gender and Ethnicity					
	Gender		Ethnicity		
	Female	Male	BME	Not Known	White
<b>Pension Scheme</b>	%	%	%	%	%
2015 Scheme	15	85	2.4	3.7	93.9
Opt Out	10.5	89.5	2.5	5.0	92.5
Total In Scheme	9.9	84.0	2.3	3.4	88.3
Total Opted Out	0.9	5.2	0.1	0.3	5.6

Membership by Age					
	18-20	21-30	31-40	41-50	51+
	<b>Pension Scheme</b>	%	%	%	%
2015 Scheme	1.1	16.9	35.5	33.1	13.4
Opt Out	0.0	7.5	35.0	42.5	15
Total in Scheme	1.1	15.9	33.3	31.1	12.6
Total Opted Out	0.0	0.5	2.1	2.6	0.9



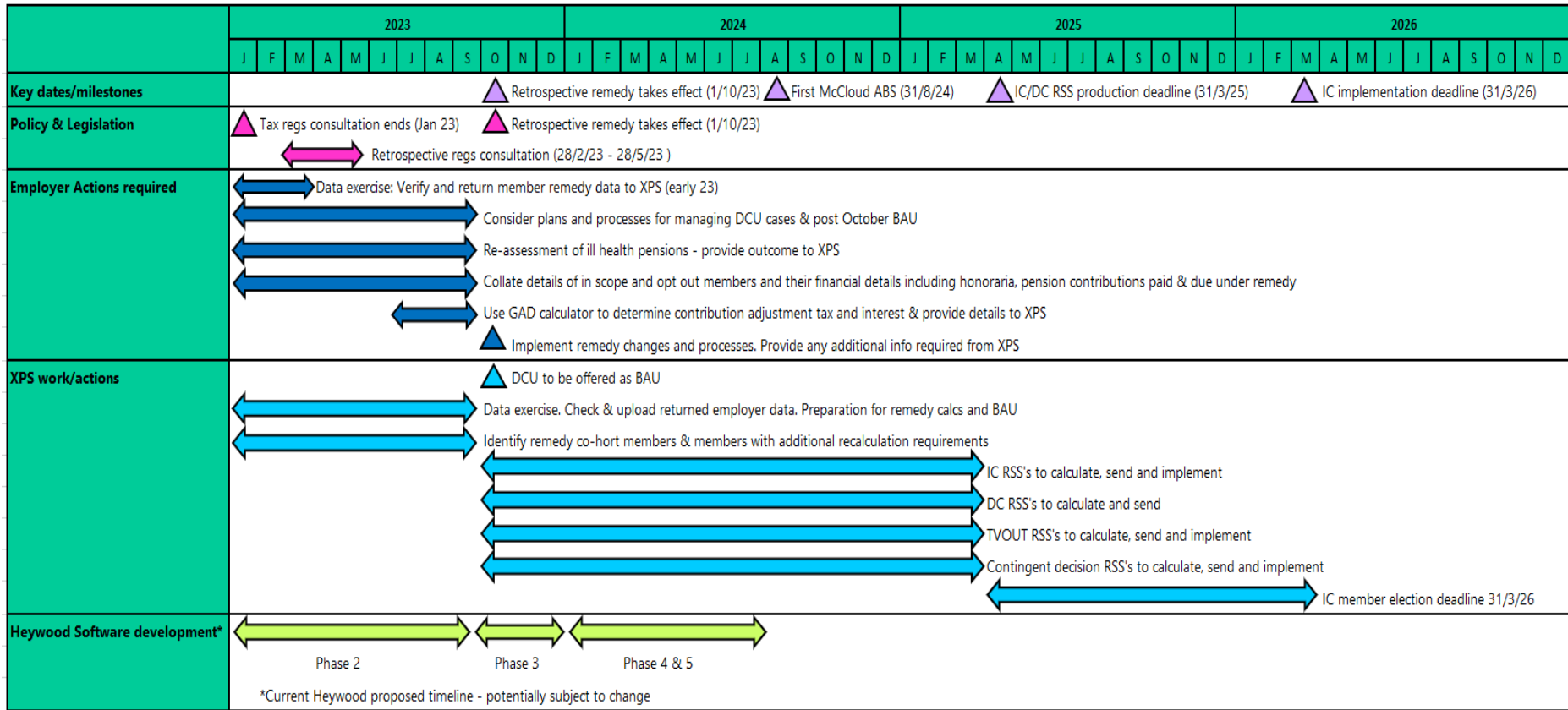
## Appendix B – McCloud Key Deliverables April 2023 – September 2023

Action	Progress	Deadline
<p><b>Complete data collection exercise</b></p>	<p>Work to gather pay, contributions and absence data has been completed.</p> <p>In July XPS provided an extract of data from their system and the team are working to reconcile this information and fill in the gaps. This involves providing information about what the member's pay and contributions would have been in both schemes had the been in those schemes for the full 7 years of the remedy period.</p> <p>This is due to be completed by 31 August.</p>	<p>31/08/2023</p>
<p><b>Identify all members in scope</b></p>	<p>Work is ongoing to reconcile the members that Cheshire Fire believe are in scope with XPS's data to ensure information matches. Whilst most have now been matched, there remains a small cohort which require further investigation.</p> <p>Once complete, members will be contacted to advise if they are in or out of scope. This is due to be complete by 30 September.</p>	<p>31/08/2023</p>
<p><b>Identify the different cohorts of members and the action and priority to be assigned to each group.</b></p>	<p>XPS have now provided a report outlining the different cohorts. Death and ill health cases will be dealt with first, followed by taper and unprotected members and finally the protected members.</p> <p>This information is currently being reconciled with Cheshire Fire's records to ensure the members in each cohort can be agreed. This is due to be complete by 30 September.</p>	<p>30/09/2023</p>
<p><b>Ill health reassessments</b></p>	<p>All members who have retired under ill-health have received details of the re-assessment. Most have now returned their consent forms and their cases are with the doctors for review.</p> <p>This should be completed by 30 September. However, this will be dependent on whether the members provide their consent for the review to take place.</p>	<p>30/09/2023</p>





## Appendix C – Heywoods and XPS McCloud Project Plan and Proposed Prioritisation of Cohorts



RSS Category	RSS Case Type	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	
Immediate Choice	Ill Health Retirements (Protected members)	Heywood calc delivery post October 23 (P4) ○																		
Immediate Choice	Ill Health Retirements (unprotected & Taper members)	Heywood calc delivery post October 23 (P4) ○																		
Immediate Choice	Death in service (All members)	Heywood optional item - post October 23 ○																		
Immediate Choice	Retirements (Unprotected & Taper members)	Heywood calc delivery post October 23 (P4) ●																		
Immediate Choice	Death on Ill health pension (All members)	Heywood calc delivery post October 23 (P4) ●																		
Immediate Choice	Death on pension (Unprotected & Taper members)	Heywood optional item - post October 23 ●																		
Deferred Choice	Active (Unprotected & Taper members)	Heywood delivery pre October 23 (P2) ●																		
Deferred Choice	Deferred (Unprotected & Taper members)	Heywood optional item - post October 23 (P4) ●																		
Immediate Choice	Contingent decision member (opt outs)				Heywood calc delivery post October 23 (P4) ●															
Deferred Choice	Contingent decision member (opt outs)							Heywood: Deferred - optional/Actives - pre October ●												
Immediate Choice	Retirements (2006 Protected members)								Heywood calc delivery post October 23 (P4) ●											
Immediate Choice	Death on pension (Protected members)												Heywood optional item - post October 23 (P4) ●							
Deferred Choice	Active (Protected members)													Heywood delivery pre October 23 (P2) ○						
Immediate Choice	Retirements (1987 Protected members)													Heywood calc delivery post October 23 (P4) ○						
TVOUT	TVOUT RSS	Heywood optional development - post October 23 (P4) ●																		

**Fire Risk Scoring Matrix**

<b>Probability/ Likelihood</b>	<b>VH = 5</b>	5	10	15	20	25
	<b>H = 4</b>	4	8	12	16	20
	<b>M = 3</b>	3	6	9	12	15
	<b>L = 2</b>	2	4	6	8	10
	<b>VL = 1</b>	1	2	3	4	5
		<b>VL = 1</b>	<b>L = 2</b>	<b>M = 3</b>	<b>H = 4</b>	<b>VH = 5</b>
	<b>Impact</b>					

**Risk Priority**

15-25	High	Significant Action Plan required
9 – 14	Medium	Action Plan required
1 – 8	Low	Risk can be tolerated

## Joint Risk Scoring Guidance

IMPACT							
Impact Score	Service	Performance	Finance	Reputation	Legal	Safety	Human Rights/ Diversity
<b>5 = Major</b>	Major impact/disruption to critical services. Inability to deliver a number of organisational objectives.	Significant performance impact. Not achieving more than one of the organisation's performance targets	<b>Fire</b> – over £1m	Sustained national media coverage. External Enquiry. Removal of command team member.	Prosecution. Major claims/fines against both organisations	Multiple fatalities or multiple permanent injuries	Unjustified impact or interference.
<b>4 = Serious</b>	Serious impact/disruption on critical services with a noticeable impact on local communities.	Large impact on performance resulting in not achieving one of the organisation's performance targets	<b>Fire</b> - over £500k	Sustained adverse media coverage	Serious claims/fines against both organisations	Single fatality or severe injuries	Serious unjustified impacts or interference.
<b>3 = Moderate</b>	Noticeable impact on non-critical services or short term disruption.	Impact on performance resulting in difficulty achieving performance targets but where corrective action can still be taken	<b>Fire</b> – over £250,000	Some local adverse publicity	Significant litigation/claims. Within insurance cover.	Major injury	Some limited unjustified impact or interference.
<b>2 = Low</b>	Minor disruption to Service Delivery	Small impact on performance targets but can still be managed.	<b>Fire</b> – over £100K	Short term customer dissatisfaction	Minor claims/complaints within insurance cover	Minor or slight injury	Impact of interference manageable with existing resources
<b>1 = Negligible</b>	No noticeable disruption to service. Impact is easily manageable	Minimal/short term impact on performance, not to the extent where key targets are impacted.	<b>Fire</b> – below £5K	Manageable customer dissatisfaction	Unlikely to lead to litigation or a claim.	Unlikely to have any safety impact.	No impact on diversity/human rights

<b>Probability Score</b>	<b>Detailed Description</b>	<b>% Chance</b>	<b>Relative</b>	<b>Frequency</b>
<b>5 = Very Likely</b>	Has regularly occurred with the organisation or there are strong indications that the risk will happen in the future.	80% or more	Certain that it will happen	yearly
<b>4 = Likely</b>	Has previously occurred or there is a strong probability that it will happen in next 12 months within the organisation.	50% - 80%	Highly likely to occur	Every 1 to 2 years
<b>3 = Moderate</b>	Some indication that the risk will happen in the short to medium term.	20% - 50%	More likely not to happen than happen	Every 2 – 5 years
<b>2 = Unlikely</b>	Limited indication at this stage that the risk will happen.	5% - 20%	Unlikely to happen but possible	Every 5 to 20 years
<b>1 = Remote</b>	No indication that the risk will happen. Expected to be a rare occurrence	0% - 5%	Extremely unlikely	Every 20 years or more

## Firefighter Pension Scheme Risk Register

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
Operational disaster (i.e. flood/fire)	1	3	3	↔	All records are stored electronically. Data is backed up regularly and server providers also have business continuity procedures in place.  Business continuity and data security forms part of contract.	Pension Provider	Annual review	
				↔	The majority of pension documents are electronic and all personnel files have been scanned.  Data is regularly backed up, can be accessed from anywhere on the network and server providers also have business continuity procedures in place.  Business Continuity plan to be reviewed on a bi-annual basis.	Head of People & Development and HR Business Support Supervisor	Ongoing	
				↔	Contracts with pension provider are stored electronically and hard copy stored in Legal Dept.	Scheme Manager / Pensions Manager	In line with contract dates	<b>August update</b> Currently awaiting contract extension quote
Member data incomplete or inaccurate	2	3	6	↔	Members have direct access to their own data and information via online portal.  Annual reconciliation of member data to ensure accuracy and identify and resolve any gaps in conjunction with pension provider	Pension Provider	Annual	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
				↔	Annual data check of common data and any addresses found to be incorrect are investigated using a tracing agency where required	Pension Provider / Pensions Manager	Annual	
				↔	Robust payroll processes in place to ensure accuracy of data sent to pension provider	Pensions Manager / Payroll and Pensions Supervisor	Review Annually	
Administration Failure / Maladministration	2	3	6	↔	Formal agreement in place with pension provider including SLAs.  Provider presents report to the Pension Board at each meeting.	Scheme Manager/ Pensions Manager / Pension Provider	Quarterly	
				↔	Authority Levels and signatory lists clearly documented and up to date	Pensions Manager / Pension Provider	When there is a change in staff or policy	<b>August Update</b> Authorised signatory list reviewed and updated in July. Previous Scheme Manager removed.
				↔	Review Pension Providers audit reports	Scheme Manager/ Pensions Manager	Annually	
				↔	Close management of administration contract through quarterly contract and performance review meetings	Pensions Manager	Quarterly	
				↔	Robust internal controls in place for both the pension provider and CFRS including:	Pensions Officer / Pension Provider /	Ongoing	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
					<ul style="list-style-type: none"> <li>- Pre-checks to take place by Pension Provider and the Pensions Co-ordinator/Pensions Manager prior to final authorisation by approver (for all calculations)</li> <li>- Provider to have documented controls for all calculations and payments</li> <li>- CFRS to check agreement with all calculations for pension and lump sums and approve payment.</li> <li>- CFRS checks to ensure split pensions are identified and notified to the pension provider at the point of retirement</li> </ul>	Pensions Manager		
				↔	Provider has a training programme in place for their staff, including Fire specific pension scheme rules	Pension Provider	Ongoing	
				↔	Transparent and open monitoring process to ensure lessons are learned from any errors made. Monitored through quarterly performance reviews.	Scheme Manager / Pension Provider	Ongoing	
				↔	Ensure resilience in Pension Provider teams to mitigate the impact of loss of key staff/knowledge of Fire Pension Schemes	Pension Provider	Ongoing	
Data Forecasts and Calculations	3	3	9	↔	Robust business process in place to ensure the Administrator are provided with accurate pensionable pay and service information to enable accurate forecasts to be produced for members	Pensions Manager/ Pensions Officer	Annually	



Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
				↔	Administrator to make available suitable forms and guidance to enable clear instructions to be provided by employer	Pension Provider	Ongoing	
<b>McCloud/Sargeant</b> Lack of resources to complete any remedy actions	4	5	20	↔	- Ensure additional budget is available for the additional internal resources that will be needed to complete any remedy actions including additional budget which may be required to pay for tasks which may need to be completed by payroll/pension providers on top of the current contract SLAs.	Scheme Manager / Head of Finance / Treasurer	Ongoing	<b>August Update</b> Costs for phase 3 and 4 remedy software updates and pension provider work were unknown. Quote has now been received and costs are significant.
<b>Cyber Security</b>	1	4	4	↔	- Both Cheshire Fire and Rescue Service and the pension provider have access to specialist skills and knowledge to assess and manage the risk of cyber security incidents - All systems are subject to regular back ups to ensure critical data is not lost - Robust IT policies on password, access and acceptable use along with limited access to certain websites to reduce the risk of malware attacks - Documented business continuity plans where security is breached. - Both CFRS and the pension administrator have: - robust system controls in place such as firewalls, anti-virus and anti-malware as well as a	Head of IT/ Pension Provider	Annually	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
					regular schedule of software updates. - Access to systems and data is limited to authorised personnel only			
<b>Loss of experienced/ knowledgeable staff</b>	2	4	8	↔	<ul style="list-style-type: none"> <li>- Ensure role holder has the appropriate skills, experience and qualifications</li> <li>- Ensure full induction and training is given to new starter to ensure they receive the necessary grounding in Firefighter Pensions</li> <li>- Provide access to LGA training and LGA conferences to build knowledge</li> <li>- Ensure ongoing support plan is in place to assist new starters to complete pension board and FPS bulletin actions</li> <li>- Provide necessary training and introduction to pension provider to enable role holder to manage contract</li> <li>- Ensure succession plan in place</li> </ul>	Head of People & OD	Ongoing	
<b>Failure to migrate data from unsupported legacy HR system to supported IT platform</b>  Historic HR data needed for pension	1	3	3	↓	<ul style="list-style-type: none"> <li>- Project initiated to migrate data from legacy HR system to a new solution which will ensure continued access to data which is commonly needed for historic pension queries and remedy actions for court/ET cases such as McCloud and Matthews.</li> </ul>	Head of People & Development / Pensions Manager	Ongoing	<b>August Update</b> Data migration has now been completed. Data is now held in a CFRS SQL database and IT are currently writing a suite of reports/queries to enable the team to access the data in a

Risk Area - <b>OPERATIONS</b>	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
purposes currently held on unsupported software, no longer accessible on current versions of Windows. In the event of a system failure data may be lost.					<ul style="list-style-type: none"> <li>- Project will ensure that all data is migrated and that any data history such as job and salary changes, can be stored in an easily accessible format.</li> <li>- Data is available in spreadsheet format</li> </ul>			suitable format. Risk has been downgraded. Once work to develop reports has been completed, this risk will be closed.
<b>Matthews remedy</b> Lack of resources/data to complete remedy action	4	5	20	↔	<ul style="list-style-type: none"> <li>- Additional funding has been secured for a temporary pension resource. Once more is known about the timescales for the McCloud and Matthews remedy, a plan will be put in place to recruit to this position</li> <li>- Ensure data on job, salary and absences is available from legacy HR system to allow calculations to be completed</li> </ul>	Head of People & OD / Pensions Manager	Ongoing	<b>August Update</b> Awaiting further updates on volume of data inputs that will be required for this exercise. Consultation response due in late summer
<b>McCloud –</b> Remedying legislation finalised close to October 2023	2	3	6	↓	<ul style="list-style-type: none"> <li>- Monitor XPS/Heywoods via the Pension Board on progress of software updates</li> <li>- Resources in place at XPS to ensure volume of cases can be progressed manually if software is not ready for October 2023</li> <li>- Complete pre-work where possible to speed up remedy if manual calculations are required</li> </ul>			<b>August Update</b> This risk has been downgraded. Final regulations have now been laid and Heywoods have a plan in place for phase 3 implementation by October.

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
<p><b>Lack of resource in LGA team</b></p> <ul style="list-style-type: none"> <li>- Current Senior pension advisor leaves in April and other main resource is on maternity leave</li> <li>- Recruitment may be difficult due to a lack of people in the market for pension roles.</li> <li>- If any new advisor does not have specific fire pensions knowledge, this may impact the level and quality of support available to FRAs.</li> <li>- This will be the busiest period for the McCloud and Matthews remedies, therefore LGA support will be in high demand</li> </ul>	3	5	15	↓	<ul style="list-style-type: none"> <li>- LGA responsible for recruiting resource to backfill these roles</li> <li>- Number of sub-committees already in place to carry on work relating to technical aspects of the scheme, communications and governance.</li> <li>- Advisor now in place specifically covering governance</li> <li>- Additional role for a communications officer is also being recruited to</li> <li>- Job role requires the successful candidate to have extensive knowledge of the Firefighters' Pension Scheme and McCloud/Matthews remedies.</li> </ul>	LGA	April/May 2023	<p><a href="#"><u>August Update - Amended</u></a></p> <p>The current pensions advisor on maternity leave was successful in obtaining the senior pensions advisor role. However team are still depleted. To date this has not affected the service we have received, however the coming months will be extremely busy as they prepare guidance for Services and members and assess the final position of the remedy legislation. They will also be preparing similar guidance for the Matthews remedy at the same time.</p>

Risk Area – <b>FINANCIAL</b>	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
Excessive charges by provider	5	5	25	↑	<p>Contracts are governed by OJEU rules and are often limited to 2 years with the option to extend, meaning providers are regularly reviewed.</p> <p>Contract prices and any adhoc scenarios where additional charges may be incurred are laid out in the contract / framework terms.</p> <p>Where additional charges are required for project work, the provider will supply a full breakdown of the charges.</p>	Scheme Manager / Head of People & Development	Term of the Contract	<a href="#">August 2023 Update</a> Information about Phase 3 and 4 implementation costs for McCloud have now been received and they are significant.
Fraud / Fraudulent behaviour	1	4	4	↔	<p>Only pension forms from authorised signatories will be accepted by the pension provider</p> <p>Pension Provider staff have documented processes and both internal and external audit procedures.</p>	Authorised Signatories/ Provider	Ongoing	
Costs incurred due to failure to apply scheme/tax rules correctly or in a timely manner	2	3	6	↔	<ul style="list-style-type: none"> <li>- Pension provider have a technical team with specialist knowledge of the regulations and tax rules</li> <li>- Pension provider produce employer bulletins outlining tax rules for employers</li> <li>- Employer subscribes to knowledge hub and receives LGA/Home Office bulletins and circulars</li> <li>- Regular updates from the Scheme Advisory Board</li> <li>- Employer subscribes to HMRC pension tax updates</li> </ul>	Scheme Manager / Pension Provider	Ongoing	<a href="#">August 2023 Update</a>  Due to late submission of AFT return by XPS, penalties have been received for the 2021/22 tax year. XPS are currently investigating this with a view to reimbursing these penalties as per the terms of the current contract.

Risk Area – FINANCIAL	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
					<ul style="list-style-type: none"> <li>- Access to professional tax advice when necessary</li> <li>- Pension provider submit event reports and AFT reports and manage payover of tax to HMRC</li> </ul>			
<b>McCloud Remedy</b> Possible back claims from members negatively impacted by this case	5	5	25	↔	<ul style="list-style-type: none"> <li>- Finance team to ensure reserves are in place for potential compensation payments and additional administration costs</li> <li>- Pension team to closely monitor costs using LGA provided templates</li> </ul>	Scheme Manager / Pensions Manager / Head of Finance	Ongoing	

Risk Area – FUNDING	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
Failure to deduct correct contributions from pay	2	2	4	↔	<ul style="list-style-type: none"> <li>- Monthly reconciliation of pay changes to ensure any pension related changes are applied correctly</li> <li>- Clear policy on application of pensionable pay rules</li> <li>- Bi-annual contribution band checks are completed in April when bandings change and July when pay award is applied</li> <li>- Automate payroll processes where possible. Where not possible, robust process should be in place for any manual workarounds</li> </ul>	Pensions Manager	Monthly  Bi-Annually	

Risk Area – <b>FUNDING</b>	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
Failure of employer to pay contributions to the scheme	1	3	3	↔	<ul style="list-style-type: none"> <li>- Pension deductions are accounted for by the FRA and therefore contributions are deducted directly from employee pay and accounted for in the pension account.</li> <li>- Finance team conduct monthly reconciliation</li> </ul>	Finance / Treasurer	Monthly	
Failure to manage FPS fund correctly i.e. injury pension accounting	1	3	3	↔	<ul style="list-style-type: none"> <li>- Follow guidance provided by Fire Finance network and Home Office circulars</li> <li>- Training and guidance available for finance team on tax and accounting matters through LGA, CIPFA and PSTAX.</li> <li>- Attend Fire Finance Network meetings for guidance from colleagues in other Services.</li> <li>- Process in place to ensure fund is compensated in cases where abatement is not applied to the member</li> </ul>	Finance / Treasurer	Ongoing	
<b>McCloud Additional pension account outgoings</b> Ruling leading to increased costs to the pension account	5	5	25	↔	<ul style="list-style-type: none"> <li>- Ensure the outcome of this ruling is factored in to any pension account budgeting/accounting and contingency planning is considered.</li> <li>- Calculate potential additional pension and lump sum payments as a result of immediate detriment and remedy to allow accurate valuation for top up grant</li> </ul>	Finance / Treasurer  Pensions Manager	Ongoing	

Risk Area – REGULATORY & COMPLIANCE	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
Failure to interpret rules or legislation correctly	2	4	8	↔	<ul style="list-style-type: none"> <li>- Utilise central LGA resource and regional / national groups to assist with interpretation of rules and possible provision of legal opinion</li> <li>- Subscribe to the LGA Knowledge hub to get regular updates and liaise with other FRAs</li> <li>- Access professional tax/legal advice where required</li> <li>- Utilise LGA/Home office bulletins and circulars</li> <li>- Utilise knowledge and expertise of the Pension Provider technical team</li> <li>- Annual training for pension board and members of the pension team</li> <li>- Attendance at FPS AGM</li> <li>- Clear documented process for decision making outlining process to be followed and the responsible parties</li> </ul>	Scheme Manager/ HR Business Support Supervisor/ Pension Board Members/ Pensions Manager	Review as case law arises or as new legislation comes into Force	
Failure to comply with disclosure requirements or communicate with staff	3	4	12	↔	<ul style="list-style-type: none"> <li>- Annual Benefit Statements (ABS) provided to all active scheme members in August each year</li> <li>- Annual Benefit Statements provided to all deferred members on an annual basis</li> <li>- Annual check to ensure all members have received an ABS</li> </ul>	Provider  Provider  Pensions Manager	Annual  Annual  Annual  Annual	



Risk Area – REGULATORY & COMPLIANCE	Likelihood	Impact	Score	Control	Owner	Test / Review	Comments/Updates
				<ul style="list-style-type: none"> <li>- Spot check an ABS for each pension scheme to ensure accuracy of figures</li> <li>- Business processes in place to ensure the relevant legal statements are issued to any staff who are contractually or auto-enrolled.</li> <li>- Business process in place to communicate with members whose contribution banding changes.</li> <li>- Dedicated Intranet page for pension related matters which includes forms, details about the scheme rules, employee guides and information about pension tax.</li> <li>- Any news relating to changes to pension or pension tax is communicated in the Green Bulletin or where the change impacts all staff (i.e. end of contracting out), letters will be sent to all staff</li> </ul>	<p>Pension Provider</p> <p>Pensions Manager</p> <p>Pensions Manager</p> <p>Pensions Manager</p> <p>Pensions Manager</p>	<p>Ongoing</p> <p>Annual</p> <p>Ongoing</p> <p>Ongoing</p>	

Risk Area - McCloud Immediate Detriment	Likelihood	Impact	Score	Risk Impact	Control	Owner	Risk Progress
<p><b>Failure to remove discrimination in the workplace</b></p> <p>The McCloud ruling confirmed that transitional protections associated with the 2015 scheme constitute age discrimination.</p> <p>Home Office advised Services in November 2021 not to offer remedy under ID until all remedying legislation is in place, (expected October 2023) due to possible financial risks for both the Service and member.</p>	4	4	16	<p>Litigation and the potentially significant costs to defend legal claims and pay compensation and plaintiff's legal costs if unsuccessful</p> <p>Financial claims for loss and injury to feelings compensation</p> <p>Employee dis-engagement / Employee relations/welfare issues</p> <p>IDRP complaints</p> <p>Industrial relations issues</p> <p>Reputational damage</p>	<p>Assess potential costs to the pension and operating accounts for immediate detriment</p> <p>Dedicated contact in Legal Services for pension related queries and central support from Bevan Brittan</p> <p>Engagement in fortnightly national pension updates with the LGA</p> <p>Regular dialogue and communication with staff and rep bodies.</p> <p>Dedicated hub on the intranet for all updates.</p> <p>IDRP process available to staff</p>	Scheme Manager / Pensions Manager	<p><a href="#">Risk 2059 – Corporate Risk Register</a></p> <p>Immediate detriment remains paused. Negotiations ongoing between unions and LGA on how the MoU and Framework can be adapted to mitigate the risks raised by HM Treasury and Home Office.</p>
<p><b>Lack of certainty about the financial impact of ID and funding arrangements for recovery of costs</b></p>	5	5	25	<p>Shortfall in funding to pay out increased Firefighters' pension scheme liabilities</p> <p>Shortfall in funding to pay out</p>	<p>Ongoing work to calculate costs for immediate detriment to assist with short-term financial planning</p> <p>Home Office providing grant for FRSs to use towards administration costs. This is</p>	Scheme Manager / Pensions Manager	<p><a href="#">Risk 1006 – Strategic Risk Register</a></p>

Risk Area - McCloud Immediate Detriment	Likelihood	Impact	Score	Risk Impact	Control	Owner	Risk Progress
<p>Until remedying legislation is in place, the full scope of potential liabilities cannot yet be quantified.</p> <p>Until hearings are held later in 2022, the cost of injury to feelings claims cannot be quantified</p> <p>Home Office and HM Treasury have not confirmed whether any costs will be recoverable</p>				<p>compensation/interest/administration costs</p> <p>Uncertainty for financial planning</p> <p>Money already earmarked may have to be redistributed. charges from the pension provider as a result.</p>	<p>currently being used to pay for additional XPS administration and software costs.</p> <p>Regular review and monitoring of costs using LGA provided templates.</p>		
<p><b>McCloud/Sergeant Remedy – Continue with the Immediate Detriment Framework prior to remedying legislation being in place in October 2023.</b></p> <p>The MoU and ID framework was introduced in October 2021. CFRS adopted it on a case- by-case basis, but paused in November 2021 following HO advice not to proceed with ID due to potential risks.</p>	4	4	16	<p>Additional cost to the Service for any compensation, interest and administration payments which will not be recoverable from central government.</p> <p>Member may lose entitlement to tax relief and receive a tax bill – which the Service may have to compensate them for</p> <p>Member’s tax position may have to recalculated several times.</p>	<p>Ongoing work to assess potential immediate detriment costs to aid with short-term financial planning</p> <p>Legal Services involvement and legal advice through the LGA and Bevan Brittan</p> <p>Additional funding in place for a fixed term pension team resource to assist with workloads</p> <p>Home Office providing grant for FRSs to use towards administration costs.</p>	Scheme Manager / Pensions Manager	<p><a href="#">Risk 2061 – Corporate Risk Register</a></p> <p><a href="#">Immediate detriment remains paused. Negotiations ongoing between unions and LGA on how the MoU and Framework can be adapted to mitigate the risks raised by HM Treasury and Home Office.</a></p>

Risk Area - McCloud Immediate Detriment	Likelihood	Impact	Score	Risk Impact	Control	Owner	Risk Progress
HO advised that funding won't be provided to Services who proceed with ID before legislation is in place. There is a lack of clarity on whether payments of pension / lump sum under the Framework can be paid from the pension account.				<p>Additional work for internal resources and the pension provider for recalculations</p> <p>Pension and lump sum payments not able to be paid from pension account would have to be paid from operating accounts instead.</p>			