



**Tuesday,
5 December 2023
1.30 pm**

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

Contact Officer:
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Democratic Services

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Cheshire Fire Authority

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MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME

TUESDAY, 5 DECEMBER 2023

Time: 1.30 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 - 4)
A copy of the notes from the previous meeting held on 15th August 2023 are attached, for information.
- 4 XPS Cheshire Fire Pension Board Report 2023-2024 (Q2)** (Pages 5 - 20)
- 5 Firefighter Pension Scheme Update** (Pages 21 - 36)
- 6 McCloud/Sargeant Judgement Update** (Verbal Report)
- 7 Firefighter Pension Scheme Risk Register** (Pages 37 - 56)
- 8 JCNP Pensions Update** (Verbal Report)
- 9 Pension Board Training Update** (Verbal Report)

Next Meeting: Tuesday 19th March 2024 at 2.00pm



MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME held on Tuesday, 15 August 2023 at Fire Conference Room - Fire Service HQ, Clemonds Hey, Winsford, Cheshire, CW7 2UA at 2.00 pm

PRESENT: Councillor David Brown (Chair), Lee Shears (Employer) and George Peers (Employee – FBU)

OFFICERS: Carmine Rabhani (Pension Scheme Manager), Graeme Hall (Head of Public Sector Relations – XPS Administration), Amy Caves (Solicitor) and Donna Linton (Governance and Corporate Planning Manager)

1 APOLOGIES

Apologies for absence were received from Neil McElroy (FOA).

2 DECLARATION OF INTERESTS

There were no declarations of interest received.

3 NOTES FROM THE PREVIOUS MEETING

RESOLVED: That

[1] the minutes of the meeting of the Local Pension Board – Firefighter Pension Scheme held on 29th March 2023 be confirmed as a correct record.

4 XPS ADMINISTRATION CHESHIRE FIRE PENSION BOARD REPORT QUARTER 4 2022-23 QUARTER 1 2023-24

Graeme Hall, Head of Public Sector Relations from XPA Administration, was in attendance and presented the Cheshire Fire Pension Board Report Quarter 4 2022-23 and Quarter 1 2023-24 which contained the following information:-

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

Graeme Hall provided an update on the Completed Cases Overview. He advised that in 2022-23 the total percentage of cases within target was 90%. This would

improve in 2023-24 due to a period of recruitment and training which XPS Administration had undertaken. This would continue to be monitored.

Graeme Hall provided an update on Telephony which related to the fire specific telephone line that had been introduced. When making the call five options were given to the customer which included Option 1 Bereavement (5%), Option 2 Personal Details (5%), Option 3 Request an Estimate or Update on a Retirement Quote (3%), Option 4 Changes to Remedy (0%) and Option 5 all other queries (87%). Graeme Hall advised that moving forward Option 5 would be looked at to see what most of these calls related to and if a further option could be included to assist the users further.

The Pensions and Payroll Manager reported that she had seen an improvement since the new telephone system had been introduced.

RESOLVED: That

[1] the XPS Administration Cheshire Fire Pension Board Report Quarter 4 2022-23 Quarter 1 2023-24 be noted.

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 updates on the following:-

- Membership Statistics
- FPS Bulletin Actions Arising
- McCloud – Retrospective Remedy Consultation Response
- McCloud – Project Update
- Matthews Remedy
- SCAPE Discount Rate Changes
- Pensions Dashboard Programme
- Revaluation Rate Correction
- Pension Tax Updates
- General Updates

The Board was advised that the Local Government Association (LGA) communications team had provided a template poster for services to use to publicise the Matthews remedy options exercise for on-call firefighters. Work was underway in the communications team to personalise the poster for CFRS that would then be sent to all fire stations to be placed on the notice boards.

It was reported that although the options exercise process would be like 2014, the 2023 options exercise was likely to be made more difficult due to the timeframes involved. Some members had service going back as far as 1964. Therefore, services were unlikely to hold pay, tax or rank information for this period, therefore several assumptions would have to be used to complete the calculations. An added complication was that some members would be in scope for both the Matthews and

McCloud remedies. The proposal was that the Matthews remedy would need to be actioned before McCloud, and these cases should be prioritised for the purposes of the Matthews options exercise. A Board Member asked how many members were likely to be in scope for both the Matthews and McCloud remedies. In response, the Pay and Pensions Managers advised that this was approx. 40 members.

The Board was advised that the Government had announced that from 6th April 2023 the lifetime allowance charge would be removed. The lifetime allowance would be fully abolished from the 2024 to 2025 tax year, through a future Finance Bill. The lifetime allowance framework therefore remained in place from 6th April 2023, and it was just the lifetime allowance charge that had been removed at this stage. The Board had a discussion on what the change would mean for members going forward.

Graeme Hall advised that XPS Administration would be updating their options pack to ensure that the changes to the current payment process for lump sums was clear for members and they would provide estimated lump sum figures based on the assumption that the member would pay 45% income tax on the excess lump sum.

The Board discussed the status of the Injury to Feeling Claims. The Solicitor advised that she was working through files manually to get approx. numbers so costs could be estimated.

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 all services must complete several key tasks in readiness for the retrospective remedy in October 2023. XPS Pensions had also provided information about the project plan to implement Heywoods software solution for remedy calculations, and a proposed order of prioritisation for retirement cases post October 2023.

Board Members was advised that whilst it was appreciated that immediate choice members would hope to receive any options and backpay as soon as possible after October 2023, the remedying regulations allow administrators up to 18 months to complete this work. Whilst XPS had a dedicated project team for the McCloud remedy, immediate choice cases would have to be calculated manually which therefore meant cases would take some time to work through.

Priority would be given to those cases involving deaths, ill health retirement or where members have tapered or no protection.

RESOLVED: That

[1] the update and comments raised be noted.

7 FIREFIGHTER PENSION SCHEME RISK REGISTER

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

The Pensions Manager provided an update on each of the updated risks.

RESOLVED: That

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

8 JCNP PENSIONS UPDATE

The Pension Scheme Manager advised that at the meeting of the JCNP (FBU) on 22nd June 2023 there were no issues raised relating to pensions.

RESOLVED: That

[1] the update be noted.

9 PENSION BOARD TRAINING UPDATE

The Pensions Manager advised that the LGA Firefighters' Pensions Annual Conference was taking place on 19th and 20th September 2023 that would be attended by Officers.

The Governance and Corporate Planning Manager advised that the LGA annual training session to the Board had been arranged to take place in September, however, some Board Members were not available to attend. Therefore, the training has now been arranged to take place prior to the next meeting of the Local Pensions Board on 17th November at 10.00am there would be an option to attend the training and meeting after via Teams.

RESOLVED: That

[1] the update be noted; and

[2] the LGA Pension Board Training Session take place on 17th November 2023 and that all Board Members attend.



Cheshire Fire

Pension Board Report

2023-2024 (Q2)

Contents

01 Overview

02 Member Self Service

03 Common Data

04 Membership

05 Completed Cases Overview

06 Completed Cases by Month

07 Complaints

08 Telephony

01 Overview

Regulations and Guidance

July 2023

LGA issued Bulletin 71

Bulletin 71 covered many topics most with actions arising, see below:-

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

FRAs should ensure that they are using the correct CPI rates in their forecasts and ensure that they meet the submission deadline.

Age discrimination remedy – retrospective remedy:

FRAs and administrators to read the response and ensure that they are working to be ready for the regulations' , implementation on 1 October 2023.

Age discrimination remedy – Contributions Calculator inputs:

FRAs and administrators may wish to familiarise themselves with the draft inputs, so that they can ensure they are holding all the relevant data.

Age discrimination remedy - Interest and Tax:

FRAs and administrators should note this position, to ensure that they act accordingly when carrying out remedy.

Age discrimination remedy – Pension scams:

Administrators and/or FRAs to add the suggested wording to the pension webpages.

Age discrimination remedy – warm up letters:

FRAs/administrators should use these to communicate with their members ahead of October 2023.

Age discrimination remedy – Ill-Health re-assessment member outcome letters:

Once the IQMP has provided their determination and FRAs have considered this and agree with the outcome, FRAs should send these using the relevant member outcome letter.

Firefighters' Pension Scheme Adjustment in Respect of 2021 and 2022 Revaluation:

FRAs and administrators to make themselves aware of this issue and start scoping the work involved.

Government Actuary Department (GAD) – updated factors:

FRAs and administrators to ensure that they are using the revised factors from the relevant implementation dates.

Member benefit illustrations – FPS Northern Ireland:

FRAs and administrators to make their members aware of the benefit illustrators, where applicable.

Pension entitlements for retained Firefighters 2023 – FPS Wales:

FRAs and administrators to review the consultation and respond accordingly.

Abolishing the pensions lifetime allowance:

FRAs and administrators to make themselves aware of the measures involved and consider whether they wish to respond to the consultation.

Member remedy tax calculator:

Scheme managers should register on the Secure Exchange Data Service ahead of the remedy exercise and delegate access accordingly.

August 2023

LGA issued Bulletin 72

Bulletin 72 covered many topics most with actions arising, see below:-

Age Discrimination Remedy – Warm up letters:

FRAs/administrators should use these to communicate with their members ahead of October 2023.

Age Discrimination Remedy – Remediable Service Statements:

Administrators are recommended to use the template covering letter, where the RSS is not yet available with existing retirement option letters offering the member a choice of legacy and reformed scheme benefits.

Age Discrimination Remedy – Remedy tax and contributions:

FRAs and administrators should familiarise themselves with the draft inputs, so that they can ensure they are holding all the relevant data.

The Pension Regulator – Scheme Return:

FRAs to ensure that their scheme return contact details are up to date.

September 2023

XPS attended the FPS Technical Working Group on 19 September 2023

XPS attended the Firefighters' Annual Conference Day two 20 September 2023

LGA issued Bulletin 73

Bulletin 73 covered many topics most with actions arising, see below:-

Firefighters' Pensions Schemes (England) (Amendment) Order 2023:

FRAs and administrators to familiarise themselves of the consultation response ahead of the Matthews second options exercise.

Disclosure requirements:

FRAs to ensure they comply with disclosure requirements by ensuring they send the appropriate letter to Sargeant and Matthews eligible members no later than 31 December 2023.

Age Discrimination Remedy – terminology:

FRAs and administrators to note that whilst there is different terminology it all relates to the same exercise. The Matthews second exercise can also be referred to as 'remedy' but relates to a different exercise.

Age Discrimination Remedy – GAD Tax and Contribution Calculator:

FRAs and administrators to familiarise themselves with the calculator and carry out testing against their data and feedback any issues to GAD and LGA.

Age Discrimination Remedy – Funding update:

FRAs to note this and ensure that they provide the relevant data when required.

Age Discrimination Remedy – Member video:

FRAs and administrators to publicise the QR code and signpost individuals to the FPS member website for information relating to remedy, in particular the member videos as part of your communications.

Concurrent Service – Interbrigade transfers:

FRAs to make employees aware of the pension implications, should an overlap of service occur when leaving and joining another FRA, even if only by a day.

Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023:

FRAs and administrators should familiarise themselves with the Directions order to ensure that they are aware of the changes.

Public Service Pensions Remedy – Member calculator:

FRAs to provide a Single Point of Contact (SPOC) to the Public Service Pensions Remedy mailbox.

FRAs and administrators to familiarise themselves with the inputs that the member will need information for.

Age Discrimination Remedy – Funding update:

FRAs to note this and ensure that they provide the relevant data when required.

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02 Member Self Service

Quarter 2	REGISTERED	ACCOUNT DISABLED	ACTIVATION LINK SENT	NOT REGISTERED	TOTAL	% Up Take
Actives	357	6	11	290	658	55.2%
Deferred	169	5	4	410	583	29.8%
Pensioner	295	6	8	517	820	36.7%
Widow/Dep	9	0	0	109	118	7.6%
Total	830	17	23	1,326	2,179	38.9%

<i>Fire Averages for comparison with FRA'</i>						
	REGISTERED	ACCOUNT DISABLED	ACTIVATION LINK SENT	NOT REGISTERED	TOTAL	% Up Take
Actives	14.4%	0.2%	0.7%	14.4%	799	14.4%
Deferred	6.0%	0.1%	0.2%	13.8%	333	6.0%
Pensioner	13.6%	0.3%	0.6%	28.9%	752	13.6%
Widow/Dep	0.6%	0.0%	0.0%	6.7%	35	0.6%

Age profile for active members who have registered for MSS			
Under 22	0.60%	Aged 46 - 50	23.21%
Aged 23 - 25	2.38%	Aged 51 - 55	13.10%
Aged 26 - 30	7.74%	Aged 56 - 60	4.17%
Aged 31 - 35	14.29%	Aged 61 - 65	0.89%
Aged 36 - 40	13.10%	Aged 65+	0.30%
Aged 41 - 45	20.24%		

03 Common Data

Cheshire Fire				
Data Test	Common data score			
	Max Population	Total Fails	% OK	
NINO	2,500	3	99.88%	
Surname	2,500	0	100.00%	
Forename / Inits	2,500	0	100.00%	
Sex	2,500	0	100.00%	
Title	2,500	1	99.96%	
DoB Present	2,500	0	100.00%	
DJS	2,500	0	100.00%	
Status	2,500	0	100.00%	
Last Status Event	2,500	0	99.84%	
Status Date	2,500	4	99.04%	
No Address	2,500	24	99.76%	
No Postcode	2,500	6	99.48%	
Address (All)	2,500	13	97.64%	
Postcode (All)	2,500	59	97.44%	
Members with a Fail	2,500	64	98.64%	
Members with Multiple Fails	2,500	34	97.60%	

04 Membership

Quarter 2 2023-2024

Scheme	Actives	Deferred	Pensioner	Widow	Dependant
Old-FPS	0 -	55 -	737 ▲	108 ▲	1 ▼
New-NFPS	2 -	229 -	57 ▲	4 -	2 -
CARE - 2015	659 ▲	299 ▲	26 ▲	2 -	0 -
Total	661 ▲	583 ▲	820 ▲	114 ▲	3 ▼

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 -
Total	656 ▲	569 ▲	808 ▲	113 ▼	4 ▲

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 -
Total	628 ▼	554 ▲	800 ▲	114 ▼	2 -

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 -
Total	650 ▲	540 ▲	793 ▲	116 ▲	2 ▼

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 -
Total	638 ▲	531 ▲	783 ▲	115 ▼	3 -

05 Completed Cases Overview

2023/24

Cheshire Fire	Cases completed	Cases completed within target	Cases completed outside target	Cases: % within target
April	45	40	5	89%
May	116	113	3	97%
June	61	54	7	89%
Quarter 1	222	207	15	93%
July	57	46	11	81%
August	56	48	8	86%
September	47	35	12	74%
Quarter 2	160	129	31	81%
October	38	31	7	82%
November	0	0		
December	0	0		
Quarter 3	38	31	7	1
January	0	0		
February	0	0		
March	0	0		
Quarter 4	0	0	0	
Year - Total	420	367	53	87%

Overview

The KPI adherence for Q2 is 81%, with 129 cases out of 160 being completed within normal timeframes. Details of the cases are included below:

Month	Area	Detail
July	Estimates	Estimate requests
	Generals	These cases were general enquiries around scheme membership and processes.
	Deferreds	Deferment of member record.
	Retirement	Late processing of retirement but no delay to the lump sum payment.
August	Retirement options	Late provision of pension options but no delay to lump sum payment.
	Generals	These cases were general enquiries around scheme membership and processes.
	Deferreds	Deferment of member record.
	Divorce quotes	Provision of a member CETV delayed by factor changes.
	Estimates	Estimate requests
September	Generals	These cases were general enquiries around scheme membership and processes.
	Deferreds	Deferment of member record.
	Retirement options	This case was among the first post October and post Remedy calculations.
	Divorce quotes	Provision of a member CETV delayed by factor changes.
	Estimates	Estimate requests

Conclusion

With reference to Q2 of 2023 KPI compliance is lower than that reported in Q1. Patterns of work continue to be the same as reported in previous months and quarters and the additional workload and queries for the legislative changes due to remedy was starting to make more of an impact in Q2. None of the failure cases represented any impact on any payments. We will continue to monitor performance and raise any areas of concern where necessary. We do expect the next few quarters to be a challenging one in terms of certain KPIs due to the requirements around implementing Remedy.

06 Completed Cases by Month

July 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	3	3	100
Deferred Benefits	10	90	3	1	33
Divorce Cases	30	100	0	0	0
Estimates	10	100	5	2	40
General	10	100	15	10	67
Processing new entrants	10	90	2	2	100
Refunds	10	100	0	0	0
Retirement Actual	5	100	1	0	0
Retirement Options	10	100	3	3	100
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	0	0	0
Variations	10	90	25	25	100

August 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	0	0	0
Deferred Benefits	10	90	4	3	75
Divorce Cases	30	100	2	1	50
Estimates	10	100	1	0	0
General	10	100	9	6	67
Processing new entrants	10	90	4	4	100
Refunds	10	100	0	0	0
Retirement Actual	5	100	4	4	100
Retirement Options	10	100	3	1	33
Transfers – in (Calculation)	10	90	1	1	100
Transfers – in (Payment received)	10	90	1	1	100
Transfers – Out (Calculation)	10	100	0	0	0
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	27	27	100

September 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	0	0	0
Deferred Benefits	10	90	9	2	22
Divorce Cases	30	100	2	1	50
Estimates	10	100	1	0	0
General	10	100	6	5	83
Processing new entrants	10	90	12	12	100
Refunds	10	100	0	0	0
Retirement Actual	5	100	1	1	100
Retirement Options	10	100	2	0	0
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	0	0	0
Variations	10	90	14	14	100

October 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	0	0	0
Deferred Benefits	10	90	1	0	0
Divorce Cases	30	100	0	0	0
Estimates	10	100	0	0	0
General	10	100	10	6	60
Processing new entrants	10	90	2	0	0
Refunds	10	100	0	0	0
Retirement Actual	5	100	2	2	100
Retirement Options	10	100	0	0	0
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	22	22	100

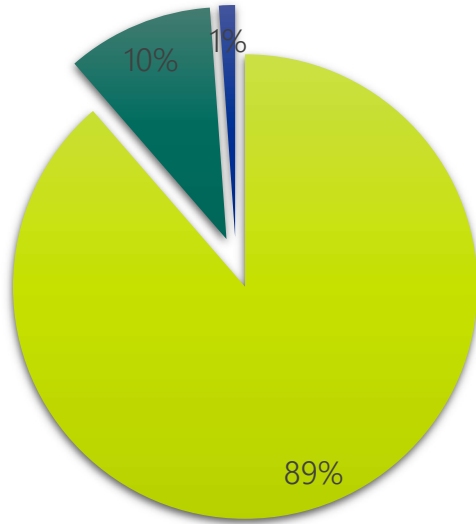
07 Complaints

Full Name	Description	Date received	Date completed	Comment
Nil return				

08 Telephony

Q2 2023

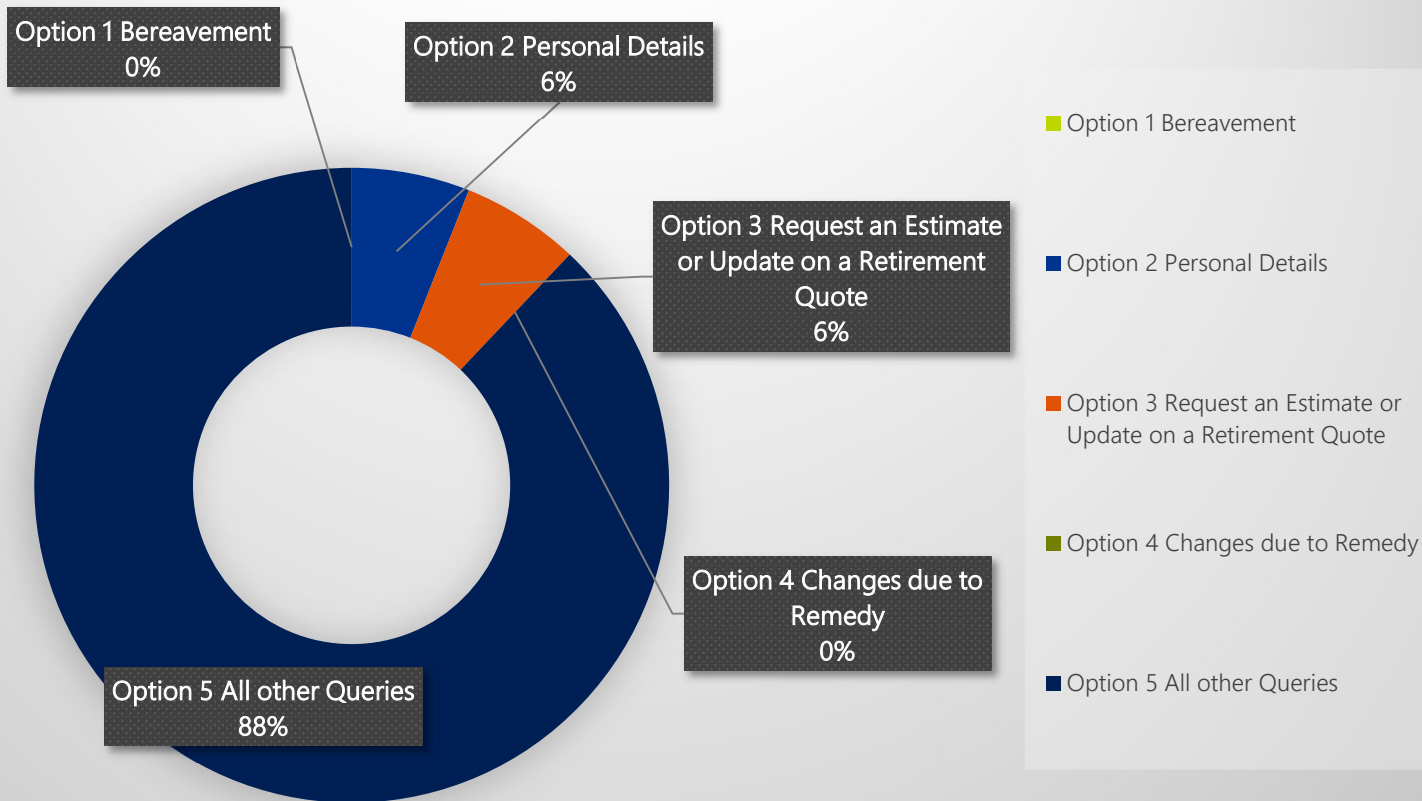
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Total Calls		88
Answered Calls		78
Abandoned Calls		9
Short Abandoned Calls		1
Average Wait Time		00:01:10
Average Duration		00:08:43
Average Abandon Time		00:02:14

Summary of Performance

Highlights / Key Achievements	Challenges
<ul style="list-style-type: none"> Of the 9 abandoned calls, 4 Calls abandoned during the IVR 5 Calls abandoned in waiting 	





Graeme Hall
Operation Manager
01642 030643

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CHESHIRE FIRE AUTHORITY

MEETING OF: LOCAL PENSION BOARD – FIREFIGHTERS PENSION SCHEME
DATE: 5 DECEMBER 2023
REPORT OF: PENSION SCHEME MANAGER
AUTHOR: JILL SWIFT

SUBJECT: FIREFIGHTER PENSION SCHEME UPDATE

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, and to provide an update on progress for the McCloud and Matthews remedies.

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 71** – There have been reports of third-party organisations contacting members of public sector pension schemes offering services for a fee to help people claim their remedy benefits. Members will automatically be offered their remedy benefits without the need for a third party to request this. Information about this potential scam has been added to the intranet to raise awareness.
4. **FPS Bulletin 71** – The Local Government Association (LGA) provided Services with 'warm-up' template letters to send to members in scope for the pension remedy and, working with Aon, have produced a member video. Warm up letters and link to the member video were sent to all active, deferred and pensioner members at the beginning of October.
5. **FPS Bulletin 71** – As per Bulletin 69, ill health assessments needed for the remedy have all been completed and the outcomes passed to XPS Pensions to allow work to commence on recalculating pensions for immediate choice members.

6. **FPS Bulletin 71** – In order to correct Annual Allowance and Lifetime Allowance for members in scope for the remedy, HMRC have set up a portal through which amended tax charges can be reported. This requires Services to register for the portal and provide HMRC with details of specific contacts in each Service. Contact has been made with HMRC and further instructions on how to register for the portal will be sent to Services by HMRC in due course.
7. **FPS Bulletin 72** – From 1 October 2023, retirees who are in scope for the McCloud remedy should receive a deferred choice remediable service statement (DC-RSS) outlining their benefits in the legacy and reformed schemes to allow them to make an informed choice. Due to the volume of expected retirements in early October and the fact that software is yet to be updated, some administrators were proposing to provide members with legacy scheme figures only. The LGA advised against this, although the regulations do allow it. To date, Cheshire have had 2 retirements. In both cases XPS pensions have provided the members with both legacy and reformed benefit options.
8. **FPS Bulletin 73** – Where members transfer between Services, known as inter-brigade transfers, if a member has a break in service between those employments or an overlap in employment it can mean that their periods of pension service can't be combined. The LGA advised Services to remind members of this when they are transferring. This will allow the member to agree leave and start dates that will not impact their pension. Information about this has now been added to our transfer in starter letters and resignation letters to ensure members are made aware.

McCloud Remedy – Update

9. On 1 October 2023, all primary and secondary legislation to implement the McCloud Remedy came into force.
10. Services had to complete several key tasks in readiness for the remedy. An update of progress against these deliverables is provided at Appendix B, along with a summary of the next group of key deliverables which need to be completed between October 2023 and March 2024.
11. The Government Actuary's Department (GAD) has now released a calculator to be used for the calculation of tax relief, compensation, and interest. Although the calculator has been tested, Services are still finding issues and the inputs required are complex. As a result, work to complete this calculator will be undertaken in phases which are outlined in Appendix B. In addition, the calculator doesn't cover all scenarios that will require a compensation payment or interest. This means manual interest calculations may be required in some cases.

12. The Home Office has recently clarified that any costs incurred by Services in relation to additional pension liabilities and compensation will be fully funded and this will be dealt with through the AME top up grant process.
13. Administrators are aiming to provide active members with an Annual Benefit Statement (ABS) and RSS by 31 August 2024. Due to the complexity and volume of cases, this will be a challenging task. Where ABSs are not provided on time, or are inaccurate, this could constitute a breach of the law which needs to be reported to the Pension Regulator. The Pension Regulator has advised that they are mindful of the challenges that administrators will face and will be taking a practical and risk-based approach to enforcement action where ABS breaches of the law are reported in 2024 or 2025.
14. Letters were sent to all active, deferred and pensioner members at the beginning of October. These letters confirmed whether members were in or out of scope for the remedy and contained information about next steps for pensioners and details of when active and deferred members can expect to receive their first RSS. The letters also clarified how contribution adjustments would be dealt with and the timescales for these activities. A dedicated pension remedy inbox has been created for member to send queries to and both the intranet and external website now have pages dedicated to the remedy.

McCloud Remedy - Contingent Decisions

15. Contingent decisions are decisions which members would have made differently had it not been for the discrimination. These decisions may relate to opt outs, purchase of added years or transfers in and out of the scheme.
16. The LGA has now published an employer guide on contingent decisions which outlines the process to be followed, the relevant legislation and evidence requirements. Members will need to submit a claim within 12 months of receiving their initial RSS. For most members this will be in August 2024.
17. The current guidance only covers opt outs and added years. Further information on the process for claims relating to transfers will be published in due course.
18. For those wishing to purchase additional service or rescind opt out notices, they will need to pay the outstanding contributions. These contributions will also have interest added. Members purchasing opted out service will be able to repay this over a 14 year period. At present the GAD calculator does not support the calculations for this scenario. Discussions are ongoing about how this will be implemented by Services.
19. There are some areas of potential challenge with regards to opt outs. The regulations only cover the remedy period. Therefore, if the member opted out before the remedy period, this may have implications for how much service they can purchase, and which scheme they will be eligible to rejoin.

20. There will be varying requirements for members to provide evidence with their claims. In some circumstances, evidence will be required that their decision was due to the discrimination caused by the transitional provisions.
21. Alternatively, there will be scenarios where no evidence is required. For example, where a member opted out within the remedy period, or within 6 pay periods of them being moved to the 2015 scheme. These claims will be automatically accepted.
22. Any claims for members who opted out before 12 March 2012, will not be upheld. Information about the public sector pension reforms was not available before this date, therefore no claim could successfully argue that they opted out because of the changes to the scheme.
23. Claims will be reviewed by the Scheme Manager. In cases, where a claim is not upheld, members will be able to appeal by following the current Internal Dispute Resolution Procedure.
24. If a member's claim is upheld, they will be provided with a Contingent Decision RSS. After this, they will have 12 months to decide if they want to purchase the service or added years.

Matthews Remedy – On Call Firefighters

25. Following the Matthews v Kent and Medway Town case in 2006, Fire services undertook a time-limited options exercise in 2014 and 2015 to give all retained firefighters with service between 1 July 2000 and 5 April 2006 access to a modified version of the Firefighters' Pension Scheme 2006. This modified scheme provided similar benefits to the 1992 scheme. The case was brought as a result of the introduction of Part-Time worker regulations. Prior to 6 April 2006, retained firefighters could not join a pension scheme.
26. The exercise only allowed members to backdate their membership to 1 July 2000, as this was when the part-time workers regulations took effect. However, a further court case brought by judges in 2018 (O'Brien v MoD) ruled that the part-time judges should be allowed to backdate their service to their start date of employment, even if this was before July 2000.
27. It has since been agreed that the date of implementation should have been 7 April 2000 instead of 1 July 2000. This means that anyone who left retained service between 7 April and 30 June 2000 will now also be in scope.
28. As a result of this ruling, the Firefighters' Pension Scheme 2006 has been amended to allow members to backdate their pension service to their start date. The Firefighters' Pension Scheme (England) (Amendment) Order 2023 took effect from 1 October 2023. These regulations bring into force changes that allow Services to commence a second pension options exercise.

29. Services will need to write out to eligible members with information about the scheme and invite them to express an interest in receiving a quote. This initial letter must be sent by 31 December to ensure compliance with disclosure regulations, which require Services to notify members of any material change to the scheme within 90 days.
30. The options exercise must be concluded by 31 March 2025. The Home Office have provided an indicative timeframe for each stage of the options exercise, but this is not mandated in the legislation, therefore Services are able to tailor this where appropriate. The suggested timeframes are:
 - Stage 1** – Expression of Interest Letters to be sent **by 31 December 2023**
 - Stage 2** – Members will have **6 months** to return their expression of interest
 - Stage 3** – On receipt of an expression of interest, Services to complete quotations **within 3 months**
 - Stage 4** – Members will have **6 months** to elect to join the scheme
31. Member's expectations will need to be carefully managed during stage 2. Quotations will be completed by the internal pensions team who will also be working concurrently on the McCloud Remedy. Therefore, pinch points in workload may mean that these indicative timeframes may have to be adapted.
32. The quote provided to members will outline how much service they are entitled to purchase, the cost of purchasing the service and a projection of pension benefits they are entitled to. In some cases, service goes back as far as the 1960's therefore obtaining pay data for these cases will not be possible. The regulations allow Services to make assumptions about pay and rank in order to complete the quotes. In Cheshire, full or partial pay data is available from 1992. For any years prior to this, assumptions will be used.
33. Some members will be in scope for both the Matthews and McCloud remedies. In these cases, the Matthews remedy will need to be actioned before McCloud, and these cases will be prioritised.
34. In the 2014 options exercise, attempts were made to trace leavers using the electoral register. However, a large number were not traceable. For the second options exercise, additional steps have been taken including posters for stations and liaison with retirement associations. Details of the options exercise have been posted to the Intranet and external website and a tracing agency has been engaged to locate any remaining members that cannot be traced through other means.
35. GAD have developed a calculator to allow Services to carry out the necessary calculations. This is due to be released on 6 November. However, due to the variety and complexity of scenarios for the cases involved, the calculator will be released in 2 phases, with the second version being released in January 2024. Some of the most complex cases will be referred directly to GAD as it has not been possible to programme the calculator to cover every scenario.

36. The calculator incorporates 20% tax relief and interest on contributions. For those who can take their pension benefits immediately, the calculator also works out the pension back pay due. Members will be able to repay the contributions in a lump sum or in instalments and the calculator will also provide this breakdown. Any cases where members can evidence that they were 40% taxpayers will be handled separately by GAD.

Revaluation Rate Correction

37. On 6 July, the Home Office advised 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. These rates are based on the Average Weekly Earnings index and are set in law annually in Treasury Revaluation Orders.
38. Unfortunately, when rates were set in 2021 and 2022, provisional rates were used instead of finalised rates. The revaluation rates should have been higher. This means that any 2015 scheme pensions that have been put into payment since 2021 will need to be corrected, and active and deferred member records will need to be updated with the correct rates.

	Provisional Rate	Final Rate
2021	2.4%	2.6%
2022	4.1%	4.5%

39. HM Treasury now intend to consult on the changes that will be needed to legislation to make this correction, but in the interim have advised Services to make the necessary administration changes with immediate effect, in advance of regulatory changes being made.
40. XPS pensions are aware of this instruction and are currently reviewing any affected cases and scoping the work that may be needed to make these corrections. This may involve liaison with third party software providers to ensure systems are updated with the correct rates.

Pension Tax Updates

41. Under normal circumstances, members who incur an Annual Allowance or Lifetime Allowance charge, and who use Scheme Pays to pay the charge, would report this to HM Revenue and Customs (HMRC) using the Self-Assessment process. However, when the McCloud remedy is applied to member's pensions it may result in a change to charges already reported for years during the remedy period (1 April 2015 – 31 March 2022).
42. Rather than using the Self-Assessment process, HMRC have provided a separate reporting framework for any tax charges which arise, or change, because of the remedy. There are various actions a member, or the Service,

will need to take if there is an increase or decrease in the charges due, and different deadlines to adhere to. A summary of this is provided at Appendix C.

43. Information signposting members to the calculator and guidance has been provided on the intranet, and XPS options paperwork will also be updated with these links. The LGA are engaging with tax experts to produce further guidance on this topic.
44. Pension Savings Statements are usually provided by 6 October for the previous tax year. For tax year 2022/23, the PSS should have been provided by 6 October 2023. However, legislation allows this to be deferred until October 2024 as it is likely that any figures provided would be liable to change following rollback and would therefore be inaccurate.
45. Members who are likely to have received a PSS in October 2023 have been informed about this deferment, along with details of the new reporting framework.

General Updates

46. A Private Members' Bill introduced in the House of Commons to remove the lower earnings limit and age for auto-enrolment has been granted Royal Assent. The Department for Work and Pensions will now consult on the changes needed to implement the new measures. Currently employees who earn under £6240 per year or are under age 22 do not have to be automatically enrolled into a pension scheme. These changes are designed to increase the number of people saving into a pension scheme.
47. In the public sector, most employees are contractually enrolled into a pension scheme when they commence employment, therefore these changes will have minimal impact on current processes.

**CONTACT: DONNA LINTON, GOVERNANCE AND CORPORATE PLANNING
MANAGER**

TEL [01606] 868804

BACKGROUND PAPERS: NONE

Appendix A – Quarter 2 2023/24

Membership

Scheme	Active	Deferred	Pensioner	Widow	Dependant
1992 Scheme	0	55	737	108	1
2006 Scheme	0	229	57	4	2
2015 Scheme	622	299	26	2	0
Total	622	583	800	116	3

Opted Out Members v Active Members

Scheme	Operational Staff	% of WT	% of total operational employees
Wholetime Active Members	412	96.5%	62.2%
Wholetime Opted Out	15	3.5%	2.3%
		% of On Call	% of total operational employees
On Call Active Members	210	89.4%	31.7%
On Call Opted Out	25	10.6%	3.8%
Total	662		100%

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
Pension Scheme	%	%	%	%	%
2015 Scheme	11	89	2.6	4.6	92.8
Opt Out	15	85	2.5	5.0	92.5
Total In Scheme	10.6	83.3	2.4	4.4	87.2
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+
	Pension Scheme	%	%	%	%
2015 Scheme	1.3	17.5	35.0	32.5	13.7
Opt Out	0.0	7.5	32.5	45.0	15.0
Total in Scheme	1.2	16.5	32.9	30.5	12.8
Total Opted Out	0.0	0.5	2.0	2.7	0.9

Appendix B – McCloud Key Deliverables April 2023 – September 2023

Action	Progress	Deadline	Status
<p>Complete data collection exercise</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>	31/08/2023	<p>18/08/2023</p> <p>Complete</p>
<p>Identify all members in scope</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>	31/08/2023	<p>18/08/2023</p> <p>Complete</p>
<p>Identify the different cohorts of members and the action and priority to be assigned to each group.</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>	30/09/2023	<p>18/08/2023</p> <p>Complete</p>
<p>Ill health reassessments</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>	30/09/2023	<p>21/09/2023</p> <p>Complete</p>

Appendix B – McCloud Key Deliverables October 2023 – March 2024

Action	Progress	Deadline	Status
<p>Completion of GAD Calculator – Contribution Adjustments</p>	<p>The GAD calculator will need to be completed for all members in scope to work out the contribution adjustment or compensation amount due.</p> <p>Due to the volume of work required, this will be done in phases.</p> <p>Priority 1 – Transfer out cases - Complete Deferred choice cases as they arise – ad hoc as members retire Immediate choice cases for ill health/death cases - Complete</p> <p>Phase 2 – Immediate choice cases for taper/unprotected members – Between Oct 2023 and November 2024</p> <p>Phase 3 – Active/Deferred members - by March 2024 to allow ABS-RSS to be produced by August 2024</p> <p>Phase 4 – Fully Protected members already retired – Between Oct 2024 and March 2025</p>	31/03/2025	In Progress
<p>Production of IC – RSSs</p>	<p>Recalculation of pension options and provision of IC – RSSs to ill health, death, unprotected and taper protected pensioners.</p> <p>This will be delivered in phases as per What is Remedy? Firefighters' Pension Scheme (fpsmember.org)</p>	31/03/2025	Not Started
<p>Contingent Decisions</p>	<p>Communicate the contingent decision process to all members.</p> <p>Claims will be linked to when the member receives their RSS, therefore it is likely that most contingent decision claims will start to be received from August 2024 onwards.</p> <p>Awaiting contingent decision guidance from LGA.</p>	31/03/2026	Not Started

<p>Tax Reporting Framework</p>	<p>A new reporting framework has been introduced by HMRC for any tax charges related to the remedy. Where a member owes money, or where the scheme owes the member a refund, this new framework should be used to report and pay the tax charges or claim refunds.</p> <p>Information about the new tax framework has already been communicated to members who have had AA or LTA charges during the remedy period.</p> <p>However, as pension benefits are recalculated more people may be captured, therefore this communication will be an ongoing process as people retire and as IC cases are recalculated.</p>	<p>31/03/2025</p>	<p>In Progress</p>
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Do you have a change to your **annual allowance** tax charge?

↓	↓		
Yes an Increase	No	Yes a Decrease	
↓	↓	↓	↓
Do you want to pay the tax charge yourself or use Scheme Pays?	No further action required	If the decrease in the charge was between 6/04/2019 and 5/04/2023	If the decrease in the charge was between 6 April 2015 and 5 April 2019

↓	↓	↓	↓
Pay myself	Use Scheme Pays		
HMRC will issue you with an assessment which will set out how you can pay.	HMRC will ask for details of the scheme and when you will be asking them to pay. This should be done no later than <ul style="list-style-type: none"> - 6 July 2025 if you were an active or deferred member on 1 October 2023 - 6 July 2027 if you were a pensioner on 1 October 2023 	If you paid the charge HMRC will refund you directly If you used Scheme Pays, your employer will contact HMRC for the refund HMRC will also work out any interest due to you on this amount. If there is a decrease in one year and an increase in another year, HMRC will work out the interest on the refund before offsetting the differences	If you paid the charge, your employer will contact you to arrange a refund If you used Scheme Pays, your employer will usually use compensation to increase your pension benefits

↓	↓	↓	↓
Report changes to your annual allowance tax charges by 31st January 2025 (if you were not yet receiving your benefits on 1 October 2023)			
Report changes to your annual allowance tax charges by 31st January 2027 (if you are a pensioner)			
If you are an active/deferred member in one role and pensioner in another, the later of these dates applies.			
This should be done using the Calculate your public service pension scheme adjustment service			

Disclaimer – This information is a summary of the information available at [How the public service pensions remedy affects your pension - GOV.UK \(www.gov.uk\)](#) at the time of writing. The Service is not not qualified to provide tax advice, therefore please ensure you read this summary in conjunction with this website and refer to specialist tax advise where appropriate.

Do you have a change to your Lifetime Allowance tax charge?				
Yes an Increase		No	Yes a Decrease	
If you retired between 6 April 2015 and 5 April 2019	If you retired between 6/04/2019 and 5/04/2022	No further action required	If the decrease in the charge was between 6/04/2019 and 5/04/2023	If the decrease in the charge was between 6 April 2015 and 5 April 2019
In most cases neither you nor the scheme will have to pay any additional tax due to the remedy	You will be jointly liable for this with your employer. XPS pensions will let you know how much the charge is		HMRC will refund the difference directly to you if you paid the charge yourself, or to your employer if they originally paid the charge. Your employer will request the refund and adjust your benefits accordingly HMRC will also work out any interest due to you.	You can claim compensation for the difference via the route listed below
Where you have an increase to your Lifetime Allowance tax charge between 6 April 2019 and 5 April 2023, you must report changes using the Calculate your public service pension scheme adjustment service .			Where you have an decrease to your Lifetime Allowance tax charge resulting in a refund between 6 April 2015 and 5 April 2023 you must report the changes using the Calculate your public service pension scheme adjustment service .	
<p>Deadlines Active / Deferred members on 1 October 2023 – 31st January 2025</p> <p>Pensioner members on 1 October 2023 – 31st January 2027</p> <p>If you are more than one type of member, such as active in one scheme and pensioner in another, you have until the later of the dates to report charges, or changes to previous charges, to HMRC</p>			<p>Deadlines Active / deferred members on 1 October 2023 – 31st January 2029</p> <p>Pensioner members on 1 October 2023 – 31st January 2031</p>	
<p>Disclaimer – This information is a summary of the information available at How the public service pensions remedy affects your pension - GOV.UK (www.gov.uk) at the time of writing. The Service is not not qualified to provide tax advice, therefore please ensure you read this summary in conjunction with this website and refer to specialist tax advise where appropriate.</p>				

Fire Risk Scoring Matrix

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

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
5 = Major	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	Fire – 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.
4 = Serious	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	Fire - over £500k	Sustained adverse media coverage	Serious claims/fines against both organisations	Single fatality or severe injuries	Serious unjustified impacts or interference.
3 = Moderate	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	Fire – over £250,000	Some local adverse publicity	Significant litigation/claims. Within insurance cover.	Major injury	Some limited unjustified impact or interference.
2 = Low	Minor disruption to Service Delivery	Small impact on performance targets but can still be managed.	Fire – over £100K	Short term customer dissatisfaction	Minor claims/complaints within insurance cover	Minor or slight injury	Impact of interference manageable with existing resources
1 = Negligible	No noticeable disruption to service. Impact is easily manageable	Minimal/short term impact on performance, not to the extent where key targets are impacted.	Fire – 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

Probability Score	Detailed Description	% Chance	Relative	Frequency
5 = Very Likely	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
4 = Likely	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
3 = Moderate	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
2 = Unlikely	Limited indication at this stage that the risk will happen.	5% - 20%	Unlikely to happen but possible	Every 5 to 20 years
1 = Remote	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	
Member data incomplete or inaccurate	2	3	6	↔	Members have direct access to their own data and information via online Self-Service portal. Annual reconciliation of member data to ensure accuracy and identify	Pension Provider	Annual	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
					and resolve any gaps in conjunction with pension provider			
				↔	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	November 2023 Update Due to the volume of work involved for the McCloud remedy, XPS and clients have agreed to vary SLAs on a temporary basis during this very busy period. Any SLAs where payments are involved will be maintained as far as possible
				↔	Authority Levels and signatory lists clearly documented and up to date	Pensions Manager / Pension Provider	When there is a change in staff or policy	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
				↔	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: <ul style="list-style-type: none"> - Pre-checks to take place by Pension Provider and the Pensions Co-ordinator/Pensions Manager prior to final authorisation by approver (for all calculations) - Provider to have documented controls for all calculations and payments - CFRS to check agreement with all calculations for pension and lump sums and approve payment. - CFRS checks to ensure split pensions are identified and notified to the pension provider at the point of retirement 	Pensions Officer / Pension Provider / Pensions Manager	Ongoing	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
				↔	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	2	3	6	↓	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	November Update Risk reduced. Leavers form has been redesigned to ensure all elements of pensionable pay are captured according to the definition in the different schemes.
				↓	Administrator to make available suitable forms and guidance to enable clear instructions to be provided by employer	Pension Provider	Ongoing	
McCloud/Sargeant 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	Scheme Manager / Head of Finance / Treasurer	Ongoing	November Update Budget is available if additional resources are required. Due to the fact that there are 2 remedy

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
			4		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.			processes running at the same time (Matthews and McCloud), it's not yet clear where the pinch points will be, but this work is currently being mapped out based on our current understanding of workloads to try and identify these points.
Cyber Security	1	4	4	↔	<ul style="list-style-type: none"> - 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: <ul style="list-style-type: none"> - robust system controls in place 	Head of IT/ Pension Provider	Annually	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
					<p>such as firewalls, anti-virus and anti-malware as well as a regular schedule of software updates.</p> <ul style="list-style-type: none"> - Access to systems and data is limited to authorised personnel only 			
<p>Loss of experienced/ knowledgeable staff</p>	2	4	8	↔	<ul style="list-style-type: none"> - Ensure role holder has the appropriate skills, experience and qualifications - Ensure full induction and training is given to new starter to ensure they receive the necessary grounding in Firefighter Pensions - Provide access to LGA training and LGA conferences to build knowledge - Ensure ongoing support plan is in place to assist new starters to complete pension board and FPS bulletin actions - Provide necessary training and introduction to pension provider to enable role holder to manage contract - Ensure succession plan in place 	Head of People & OD	Ongoing	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
<p>Failure to migrate data from unsupported legacy HR system to supported IT platform</p> <p>Historic HR data needed for pension 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.</p>	1	3	3	↓	<ul style="list-style-type: none"> - 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. - 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. - Data is available in spreadsheet format 	Head of People & Development / Pensions Manager	Ongoing	
<p>Matthews remedy</p> <p>Lack of resources/data to complete remedy action</p>	4	5	20	↔	<ul style="list-style-type: none"> - 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 - Ensure data on job, salary and absences is available from legacy HR system to allow calculations to be completed 	Head of People & OD / Pensions Manager	Ongoing	<p>November Update</p> <p>Budget is available if additional resources are required. Due to the fact that there are 2 remedy processes running at the same time (Matthews and McCloud), it's not yet clear where the pinch points will be, but this work is currently being mapped out based on our current understanding of</p>

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
								workloads to try and identify these points.
McCloud – Remedying legislation finalised close to October 2023				CLOSED	<ul style="list-style-type: none"> - Monitor XPS/Heywoods via the Pension Board on progress of software updates - Resources in place at XPS to ensure volume of cases can be progressed manually if software is not ready for October 2023 - Complete pre-work where possible to speed up remedy if manual calculations are required 			November Update This risk will now be closed. Final regulations have been laid and XPS have interim processes in place whilst final software updates are tested and implemented
Lack of resource in LGA team <ul style="list-style-type: none"> - Current Senior pension advisor leaves in April and other main resource is on maternity leave - Recruitment may be difficult due to a lack of people in the market for pension roles. - If any new advisor does not have specific fire pensions knowledge, this 	3	5	15	↓	<ul style="list-style-type: none"> - LGA responsible for recruiting resource to backfill these roles - Number of sub-committees already in place to carry on work relating to technical aspects of the scheme, communications and governance. - Advisor now in place specifically covering governance - Additional role for a communications officer is also being recruited to - Job role requires the successful candidate to have extensive knowledge of the Firefighters' Pension Scheme and McCloud/Matthews remedies. 	LGA	April/May 2023	November Update The governance lead left in August, leaving the LGA team with 2 vacancies. The team are working on a number of large pieces of guidance, therefore the lack of resource may impact delivery of these.

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
<p>may impact the level and quality of support available to FRAs.</p> <ul style="list-style-type: none"> - This will be the busiest period for the McCloud and Matthews remedies, therefore LGA support will be in high demand 								

Risk Area – FINANCIAL	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
Unforeseen/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	
Fraud / Fraudulent behaviour	1	4	4	↔	Only pension forms from authorised signatories will be accepted by the pension provider	Authorised Signatories/ Provider	Ongoing	

Risk Area – FINANCIAL	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
					Pension Provider staff have documented processes and both internal and external audit procedures.			
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"> - Pension provider have a technical team with specialist knowledge of the regulations and tax rules - Pension provider produce employer bulletins outlining tax rules for employers - Employer subscribes to knowledge hub and receives LGA/Home Office bulletins and circulars - Regular updates from the Scheme Advisory Board - Employer subscribes to HMRC pension tax updates - Access to professional tax advice when necessary - Pension provider submit event reports and AFT reports and manage payover of tax to HMRC 	Scheme Manager / Pension Provider	Ongoing	
McCloud Remedy Possible back claims from members negatively impacted by this case	5	3	10	↔	<ul style="list-style-type: none"> - Finance team to ensure reserves are in place for potential compensation payments and additional administration costs 	Scheme Manager / Pensions Manager / Head of Finance	Ongoing	November Update Risk reduced. Home Office have confirmed that all compensation payments made by Services will be

Risk Area – FINANCIAL	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
					- Pension team to closely monitor costs using LGA provided templates			recoverable through the AME top up grant process. Services have provided HO with data to show the number of potential payments due in 2023/24 to allow them to provide funds to Services for cashflow purposes.

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"> - Monthly reconciliation of pay changes to ensure any pension related changes are applied correctly - Clear policy on application of pensionable pay rules - Bi-annual contribution band checks are completed in April when bandings change and July when pay award is applied - Automate payroll processes where possible. Where not possible, robust process should be in place for any manual workarounds 	Pensions Manager	<p>Monthly</p> <p>Bi-Annually</p>	
Failure of employer to pay contributions to the scheme	1	3	3	↔	- Pension deductions are accounted for by the FRA and therefore contributions are deducted directly	Finance / Treasurer	Monthly	

Risk Area – FUNDING	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
					<ul style="list-style-type: none"> from employee pay and accounted for in the pension account. - Finance team conduct monthly reconciliation 			
Failure to manage FPS fund correctly i.e. injury pension accounting	1	3	3	↔	<ul style="list-style-type: none"> - Follow guidance provided by Fire Finance network and Home Office circulars - Training and guidance available for finance team on tax and accounting matters through LGA, CIPFA and PSTAX. - Attend Fire Finance Network meetings for guidance from colleagues in other Services. - Process in place to ensure fund is compensated in cases where abatement is not applied to the member 	Finance / Treasurer	Ongoing	
McCloud Additional pension account outgoings Ruling leading to increased costs to the pension account	5	5	25	↔	<ul style="list-style-type: none"> - Ensure the outcome of this ruling is factored in to any pension account budgeting/accounting and contingency planning is considered. - Calculate potential additional pension and lump sum payments as a result of immediate detriment and remedy to allow accurate valuation for top up grant 	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"> - Utilise central LGA resource and regional / national groups to assist with interpretation of rules and possible provision of legal opinion - Subscribe to the LGA Knowledge hub to get regular updates and liaise with other FRAs - Access professional tax/legal advice where required - Utilise LGA/Home office bulletins and circulars - Utilise knowledge and expertise of the Pension Provider technical team - Annual training for pension board and members of the pension team - Attendance at FPS AGM - Clear documented process for decision making outlining process to be followed and the responsible parties 	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"> - Annual Benefit Statements (ABS) provided to all active scheme members in August each year - Annual Benefit Statements provided to all deferred members on an annual basis - Annual check to ensure all members have received an ABS 	Provider Provider Pensions Manager	Annual Annual Annual	<p><u>November Update</u></p> <p>All members in scope for McCloud have now received communications about the change in law,</p>

Risk Area – REGULATORY & COMPLIANCE	Likelihood	Impact	Score	Control	Owner	Test / Review	Comments/Updates
				<ul style="list-style-type: none"> - Spot check an ABS for each pension scheme to ensure accuracy of figures - Business processes in place to ensure the relevant legal statements are issued to any staff who are contractually or auto-enrolled. - Business process in place to communicate with members whose contribution banding changes. - Dedicated Intranet page for pension related matters which includes forms, details about the scheme rules, employee guides and information about pension tax. - Any news relating to changes to pension or pension tax is communicated within 3 months in the Green Bulletin or where the change impacts all staff (i.e. end of contracting out), letters will be sent to all staff 	<p>Pension Provider</p> <p>Pensions Manager</p> <p>Pensions Manager</p> <p>Pensions Manager</p> <p>Pensions Manager</p>	<p>Annual</p> <p>Ongoing</p> <p>Annual</p> <p>Ongoing</p> <p>Ongoing</p>	<p>including deferred and pensioner members. Members in scope for Matthews will receive communications by 31 December 2023.</p>

McCloud – Immediate Detriment (ID) – Corporate Risk Register

Risk Area - McCloud Immediate Detriment	Likelihood	Impact	Score	Risk Impact	Control	Owner	Risk Progress
<p>Failure to remove discrimination in the workplace</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>	2	4	8	<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>Risk 2059 – Corporate Risk Register</p> <p>November Update Risk Reduced. Whilst the legislation is now in place, meaning Immediate Detriment (ID) is no longer relevant, those members who were in scope for ID are still waiting for remedy to be applied to their pensions. Under the regulations Services have until 31 March 2025 to apply this remedy, therefore the risk of further litigation is low.</p> <p>However, until the detriment has been removed, the risk remains of further challenge in the form of IDRP complaints and there could still be an impact on morale and industrial relations until this work is concluded. Nationally, administrators are aiming to complete</p>

Risk Area - McCloud Immediate Detriment	Likelihood	Impact	Score	Risk Impact	Control	Owner	Risk Progress
							these cases by November 2024, with those most at detriment prioritised.
<p>Lack of certainty about the financial impact of ID and funding arrangements for recovery of costs</p> <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>	3	3	9	<p>Shortfall in funding to pay out increased Firefighters' pension scheme liabilities</p> <p>Shortfall in funding to pay out 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>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 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>	Scheme Manager / Pensions Manager	<p>Risk 1006 – Strategic Risk Register</p> <p>November Update Risk Reduced. Clarity has now been received on how Services will be able to recover costs, however the full extent of the potential compensation and additional pension and lump sum costs is not yet known.</p> <p>Injury to feelings claims are still being negotiated, but HO have confirmed these costs will also be fully recoverable.</p>

Risk Area - McCloud Immediate Detriment	Likelihood	Impact	Score	Risk Impact	Control	Owner	Risk Progress
<p>McCloud/Sergeant Remedy – Continue with the Immediate Detriment Framework prior to remedying legislation being in place in October 2023.</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> <p>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>			CLOSED	<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 be recalculated several times.</p> <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>	<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>Risk 2061 – Corporate Risk Register</p> <p>November Update This risk can now be closed. As all legislation is now in place, immediate detriment is no longer relevant.</p>