



MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME held on Tuesday, 9 August 2022 at Fire Conference Room, Clemonds Hey, Cheshire at 2.00 pm

PRESENT: Councillors David Brown (Chair), Lee Shears (Employer), Neil McElroy (FOA) and George Peers (FBU)

OFFICERS: Andrea Harvey (Pension Scheme Manager), Graeme Hall (Governance and Communications Manager, XPS Administration) Emily Purslow (Pension Coordinator), Jill Swift (Pensions Manager) and Donna Linton (Governance and Corporate Planning Manager)

1 APOLOGIES FOR ABSENCE

There were no apologies for absence received.

2 DECLARATION OF INTERESTS

There were no declarations of interest received.

3 NOTES FROM THE PREVIOUS MEETING

RESOLVED: That

[1] the minutes of the Local Pension Board held on 10th November 2021 be confirmed as a correct record.

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

Graeme Hall, Governance and Communications Manager from XPS Administration, was in attendance and presented the Cheshire Fire Pension Board Report Quarter 1 of 2022-23 which contained the following information:-

- Overview of Regulations and Guidance
- Member Self Service
- Common Data
- Completed Cases Overview / by Month
- Membership
- Complaints

The Pensions Manager advised that additional commentary outlining the reason for missed service level agreements had been requested in future quarterly performance reporting. This had been included in the Risk Register as part of the

'Administration Failure / Maladministration' Risk.

An outstanding action from the last meeting was a request for XPS Administration to circulate the 'In the Loop' document to the Pension Board. Graeme Hall advised that going forward he would send this to the Pensions Manager who would then circulate the document to the Pensions Board, for information.

The Pension Scheme Manager referred to the 'Completed Cases by Month' with specific reference to the low performance target for estimates. In response, Graeme Hall advised the team were currently in the process of training more staff members on how to process estimates and this would then improve the performance. At the present time estimates were processed manually due to the McCloud Immediate Detriment the service level agreement was 10 days. However, due to the backlog people were now being told that this would take a few weeks. The Pension Scheme Manager requested an improvement on the estimate target by the next meeting.

Graeme Hall provided an update on the 'Pension Dashboard Programme'. It was explained that the data was only provided to XPS on an annual basis, therefore any information provided to the Dashboard was not in real-time. However, XPS were exploring the potential to provide services with the facility to report on a monthly basis in the future.

RESOLVED: That

- [1] the XPS Cheshire Fire Pension Board Report Q1 2022-23 be noted;**
- [2] XPS Administration to send the 'In the Loop' document to the Pensions Manager for circulation to the Pension Board; and**
- [3] XPS Administration to improve the estimates performance target by the next quarter.**

5 FIREFIGHTER PENSION SCHEME UPDATE

The Pensions Manager presented a report which provided an overview of the current issues relating to the Firefighters' Pension Schemes, including updates on the following:-

- Member Statistics
- McCloud – Immediate Detriment Update
- McCloud – Prospective Remedy
- McCloud – Data Collection Exercise
- McCloud Remedy Self-Assessment Survey
- Retained Firefighters Modified Pension Scheme – Matthews Remedy
- Changes to Pensions Tax Legislation
- Cost Cap Mechanism
- Pension Dashboard Programme
- XPS Business Continuity
- Pensions Abatement

- Managing Pension Schemes Online
- General Updates

The Pensions Manager provided a detailed update on 'McCloud – Immediate Detriment'. The Pension Board were advised that whilst the withdrawal of the Home Office guidance did not impact the Memorandum of Understanding or Immediate Detriment Framework (IDF), it did raise concerns for services who had elected to adopt the IDF and further legal advice was sought from the LGA. As a result of the uncertainty for members and schemes, immediate detriment had been paused until further clarification had been received on the potential risks. Anyone in scope for immediate detriment would therefore retire under the current rules and their case would be reviewed and recalculated in the future.

It was reported that CFRS held a list of all retirees in scope for Immediate Detriment. Whilst the IDF was paused national intelligence suggested that interest may be payable in the future for each case. The costs associated with this were currently unknown. Graeme Hall advised that the order in which different types of cases would be prioritised was still under discussion.

As part of the LGA's McCloud project plan, a suite of member tools and communications had been produced including a mythbuster document and member benefit illustrations to assist members to better understand the remedy and how it might impact them. These tools were all available on the staff intranet and also on www.fpsmembers.org and had been widely communicated through the Green Bulletin.

The Pension Scheme Manager advised that the HR department would be coming back in-house in the autumn that would provide an in-house pensions team. This information was well received by the Pensions Board.

RESOLVED: That

[1] the Firefighter Pension Scheme update be noted.

6 FIREFIGHTER PENSION SCHEME RISK REGISTER

The Pensions Manager presented the Firefighter Scheme Risk Register (the Register) that had been reviewed and updated in July 2022. Updates since the last meeting were highlighted in blue in the document.

The Pensions Manager provided an update on each of the risks and made specific reference to the following:-

McCloud/Sargeant – Lack of resources to complete any remedy actions: This risk had been included on the 'Corporate Risk Register' the risk was currently reviewed every three months and the risk would be updated accordingly

Failure to migrate data from unsupported legacy HR system to supported IT platform: This risk had been included on the 'Corporate Risk Register'

Failure to offer split pensions to all eligible staff at point of retirement: The Pensions Manager asked the Pension Board's permission to remove this risk from the Risk Register as there had been no further issues or complaints regarding split pensions and this was now business as usual. The Board were in agreement.

McCloud Immediate Detriment – Failure to remove discrimination in the work place. This was a new risk and had also been included on the 'Corporate Risk Register'

RESOLVED: That

[1] the Firefighter Scheme Risk Register be noted; and

[2] the 'Failure to offer split pensions to all eligible staff at a point of retirement be removed from the Risk Register.

7 JCNP PENSIONS UPDATE

The Pension Scheme Manager reported that the main issues raised at the last meeting of the JCNP on 26th May 2022 by the FBU was in relation to the service's position on Immediate Detriment.

The Pension Scheme Manager confirmed that the position remained unchanged and due to the ongoing risks to both the service and members of the scheme, no immediate detriment payments were being processed. She advised that at the point where the situation was clearer in respect of taxation and costs with a resolution to mitigate the risks, that the service would reconsider its stance. The FBU Pension Board Member confirmed his understanding and agreement with the service's decision to pause the payment at this time.

RESOLVED: That

[1] the update be noted.

8 PENSION BOARD TRAINING UPDATE

The Pension Scheme Manager reminded Board Members that the LGA Pension Team would be hosting the 'annual wrap-up' training session on Wednesday 10th August 2022 via Zoom and all Board Members and Officers were encouraged to attend.

RESOLVED: That

[1] the update be noted.