



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 (Chair), Lee Shears and Neil McElroy

OFFICERS: Andrea Harvey (Pension Scheme Manager), Paul Mudd (Governance and Communications Manager, XPS Administration), Jill Swift (Pensions Manager), Amy Caves (Solicitor) and Donna Linton (Governance and Corporate Planning Manager)

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 17th 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 1st 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 28th 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 23rd 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 19th 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 20th 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 1st 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 31st 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.