



MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME held on Tuesday, 5 December 2023 at Fire Conference Room - Fire Service HQ, Clemonds Hey, Winsford, Cheshire, CW7 2UA at 1.30 pm

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

OFFICERS: Carmine Rabhani (Pension Scheme Manager), Graeme Hall (Head of Public Sector Relations – XPS Administration), Jill Swift (Pay and Pensions Manager), Emily Purslow (Pensions Advisor)

1 APOLOGIES

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 meeting of the Local Pension Board – Firefighters' Pension Scheme held on 15th August 2023 be confirmed as a correct record.

4 XPS CHESHIRE FIRE PENSION BOARD REPORT 2023-2024 (Q2)

Graeme Hall, Head of Public Sector Relations from XPS Administration, was in attendance and presented the Cheshire Fire Pension Board Report Quarter 2 2023-24 which contained the following information:-

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

Graeme provided an update on the Completed Cases Overview. The Board were advised that the KPI compliance figure for Quarter 2 was lower than reported in Quarter 1. Patterns of work continued to be the same as reported in previous

quarters, however, the additional workload and queries for the legislative changes due to the Remedy was starting to make more of an impact in Quarter 2. None of the failure cases represented an impact on any payment. XPS Administration would continue to monitor performance and raise any areas of concern where necessary. It was expected that the next few quarters would be challenging in terms of certain KPIs due to the requirements around implementing the Remedy.

The Board were advised that each McCloud case could take up to 4 to 5 hours to consider and complete; this was because of the complexity of cases which had to be considered dating from 2015 and the fact that all work had to be done manually.

A Board Member asked if members would be provided with advice on what to consider when the options were presented to them. In response, the Pay and Pension Manager stated that members were asked to consider seeking independent advice as the Service could only provide guidance.

Further guidance was due to be issued from the Local Government Association (LGA) relating to the Remedy once this was available the Service would try to make the guidance issued more user-friendly for members. XPS Administration would also publish a video presentation on their website providing further guidance.

RESOLVED: That

[1] the XPS Administration Cheshire Fire Pension Board Report Quarter 2 2023-24 be noted.

5 FIREFIGHTER PENSION SCHEME UPDATE

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

- Membership Statistics
- FPS Bulletin – action arising
- McCloud Remedy
- McCloud Remedy – Contingent Decisions
- Matthews Remedy – On Call Firefighters
- Revaluation Rate Correction
- Pension Tax Update
- General Updates

The Pay and Pensions Manager provided an update on the McCloud Remedy. It was reported that on 1st October 2023, all primary and secondary legislation to implement the McCloud Remedy came into force. Services had to complete several key tasks in readiness for the Remedy. An update of progress against these deliverables was provided at Appendix B of the report, along with a summary of the next group of key deliverables which need to be completed between October 2023 and March 2024.

The Government Actuary's Department (GAD) had now released a calculator to be used for the calculation of tax relief, compensation, and interest. Although the calculator had been tested, Services were still finding issues and the inputs required were complex. In addition, the calculator did not cover all scenarios that would require a compensation payment or interest. This meant manual interest calculations may be required in some cases.

The Home Office had recently clarified that any costs incurred by Services in relation to additional pension liabilities and compensation would be fully funded and this would be dealt with through the AME top up grant process.

The Board was updated on contingent decisions. These were decisions which members would have made differently had it not been for the discrimination. The LGA had now published an employer guide on contingent decisions which outlined the process to be followed, the relevant legislation and evidence requirements. Members would need to submit a claim within 12 months of receiving their initial remediable service statement (RSS). For most members this would be in August 2024. Employee guidance would be available in the near future.

For those wishing to purchase additional service or rescind opt out notices, they would need to pay the outstanding contributions. These contributions would also have interest added. Members purchasing opted out service would be able to repay this over a 14-year period. At present the GAD calculator did not support the calculations for this scenario. Discussions were ongoing about how this would be implemented by Services.

The Payroll and Pensions Manager provided an update on the Matthews Remedy – on-call firefighters. The Board was advised that because of this ruling, the Firefighters' Pension Scheme 2006 had 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 1st October 2023. These regulations bring into force changes that allow Services to commence a second pension options exercise. Services would 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 31st December 2023 to ensure compliance with disclosure regulations, which require Services to notify members of any material change to the scheme within 90 days.

The options exercise must be concluded by 31st March 2025. The Home Office had provided an indicative timeframe for each stage of the options exercise, but this was not mandated in the legislation, therefore Services were able to tailor this where appropriate.

The Board was advised that 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 had been taken including posters for stations and liaison with retirement associations. Details of the options exercise had 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.

The Board had a discussion on the methods used to trace leavers.

RESOLVED: That

[1] the Firefighter Pension Scheme update be noted.

6 MCCLOUD/SARGEANT JUDGEMENT UPDATE

This was considered in minute 5 above.

7 FIREFIGHTER PENSION SCHEME RISK REGISTER

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

The Pensions Manager provided a commentary 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 9th November 2023, the FBU Trade Union Representation had raised concerns regarding the effectiveness and efficiency of the service provided by XPS for the administration of workforce pensions. Following consistent complaints over a long period of years and the previous lack of trust and confidence in the company following split/two-part pension issues raised by the FBU, the following information was requested:-

- When was the current contract with XPS due for renewal?
- What Key Performance Indicators (KPI's) were in place for the provision of the service by the contractor?
- Could all KPI reports for the provision of the contract be shared with the FBU.

The FBU had circulated several examples highlighting issues with the service provided by XPS administration.

The Pension Scheme Manager advised that on 30th November 2023 he had responded to the FBU representative by email explaining that in response to the 5 cases brought to officers' attention at the last JCNP FBU Meeting, the Payroll and Pensions Manager had reviewed the individual circumstances of each case. As names were not provided, she had to make assumptions about who the individuals may be.

The Payroll and Pensions Manager had provided a response to each which highlighted that in some cases XPS had been at fault, but in others they were not at fault, and it was the individual themselves or the specific circumstances of the case which led to the issue arising. Where XPS had been identified at fault, it had already been raised with them directly and through quarterly contract meetings, and the Service would work with them to ensure these issues are not repeated.

RESOLVED: That

[1] the update be noted.

9 PENSION BOARD TRAINING UPDATE

The Governance and Corporate Planning Manager advised that the LGA Firefighters' Pension Annual training session had been arranged to take place in November and had to be cancelled due to Board Member availability.

The LGA had advised that in 2024 they would be looking to change the approach to how they provided the Local Pension Board training, and this would not be individually to each Local Pension Board. The LGA were aiming to provide further details and hopefully dates within the December bulletin.

RESOLVED: That

[1] the update be noted.