



**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

HIWFRA Firefighters Pension Board

Purpose: Noted

Date: **31 JANUARY 2023**

Title: **LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION
(LGA) UPDATE REPORT**

Report of Chief Financial Officer

SUMMARY

1. This report, together with attachments, provides the framework for this agenda item.

FPS BULLETINS

2. LGA issue a bulletin at the end of each month, they are emailed out to a variety of contacts but can also be accessed via the www.fpsregs.org website. The bulletins contain a lot of information and the key items are highlighted in this report.
3. There have been four bulletins issued since the last Fire Pension Board reports were written. Bulletins 61, 62, 63 and 64 can be found in APPENDICES A – D.

SAB LEVY (BULLETINS 61 & 63)

4. The SAB budget for 2022/23 was approved by the minister and FRAs have been invoiced for their share of the payments.
5. The levy is set at £6.27 per firefighter and will pay for both the work of the SAB and the LGA. The SAB levy is £4.39, and the FRA LGA levy is £1.88.
6. The work of the Fire LGA team provides much support to the Fire sector nationally and ensures that as much as possible there is a consistent

approach for FRAs to adopt. The Fire LGA team is made up of three full time permanent posts and there will also be an additional 12 month fixed term contract post to focus on communication and the three websites which will commence in 2023.

SAB COLLABORATION SESSIONS ON MATTHEWS (BULLETIN 61)

7. To support scheme managers in the delivery of the second options exercise, the SAB, the LGA and the Home Office are working together in the form of collaboration sessions on Matthews.
8. The aim is to discuss the Matthews legislation and policy, the interactions between Matthews and McCloud and the proposed timeline for implementation.

SAB LETTER TO SCHEME MANAGERS ON PENSIONS DASHBOARDS (BULLETIN 62)

9. On 27 October 2022, the chair of the SAB wrote a letter to all Scheme Managers and Local Pension Board chairs regarding the importance of preparing for Pension Dashboards and reminding them of their duties.
10. The Staging Date for Public Sector Pension Schemes will be 30 September 2024 with the requirement to provide value data by 1 April 2025.
11. At one of the next Board meetings, a report from Hampshire Pension Services will be presented which will provide an update on progress for Pension Dashboards.

SEPTEMBER CPI RATE ANNOUNCED (BULLETIN 62)

12. On 19 October 2022, the Office for National Statistics announced the Consumer Price Index (CPI) rate of inflation for September 2022 as 10.1%.
13. Government policy in recent years has been to base the increases under the Pension (Increase) Act 1971 and the revaluation of the pension accounts under section 9 of the Public Service Pensions Act 2013 on the rate of CPI in the September of the previous year.
14. We await confirmation from Government that the revaluation and pension increase that will apply to FPS deferred pension and pensions in payment in April 2023 will be 10.1%.

PUBLIC SECTOR UNIONS GRANTED JUDICIAL REVIEW OVER
McCLOUD COST REMEDY (BULLETIN 62)

15. In July 2022, the Public Sector unions were granted a judicial review in relation to the McCloud remedy costs in the cost control mechanism.
16. The Public Sector unions argue that the cost of rectifying the discrimination should not be met by scheme members. The provisional results of the 2016 cost cap valuation showed that all public service schemes were cheaper than expected. This would have led to a reduction in contribution or improvements in benefits from April 2019 had the cost control process not been paused.
17. The hearing for this was allocated 5 days and commenced on 23 January 2023.

PENSION SCHEME TRANSITIONAL PROTECTIONS: INJURY TO
FEELINGS EMPLOYMENT TRIBUNAL HEARING (BULLETIN 63)

18. The injury to feelings Employment Tribunal which was scheduled to be heard from 14 to 28 October 2022 was vacated.
19. Vacation of the hearing followed agreement in principle as to issues of non-financial loss and to provide further time to negotiate the full settlement details between all parties (including FRAs) through their respective legal representatives.
20. This only applies to all the named original 2015 claims in England and Wales brought by the FBU. The cost of this compensation will be fully met by the Government.

SAB REMEDY ENGAGEMENT SESSIONS (ALL BULLETINS)

21. The Fire SAB were invited by the Home Office to take part in a series of joint engagement sessions with the Police SAB to consider scheme specific versions of the Provision Definition Documents (PDDs).
22. Sessions took place each month between June and January 2023 covering
 - (a) Ill health
 - (b) Early / Late retirement
 - (c) Abatement
 - (d) Contingent Decisions

- (e) Divorce
- (f) CETVs
- (g) Remediable Service Statements (RSS) content
- (h) Remedy timetabling

HM TREASURY PUBLISH TREASURY DIRECTIONS

23. On 14 December 2022, HM Treasury made the Public Service Pensions (Exercise of Powers, Compensation and Information) Directions 2022. They came into force on 19 December 2022 and apply to England, Northern Ireland, Scotland and Wales.
24. The Directions set out how certain powers in the Public Service Pensions and Judicial Offices Act (PSPJOA) 2022 must be exercised. The Act gives relevant government departments powers to rectify McCloud discrimination by making secondary legislation.
25. For the FPS, the Directions apply to the following powers in the Act:
 - (a) Powers to reduce or waive liabilities in relation to correction of benefits and tax relief on contribution adjustments (PSPJOA 2022 Section 18). This includes the facility for 2006 FPS contributions to be retained by the scheme until a deferred choice election is made.
26. There are powers to make provisions for the treatment of voluntary contributions paid in the 2015 FPS and for transfers in and out of the scheme.
27. There are a number of other powers which are covered in the Directions including:
 - (a) A scheme manager's power to pay compensation, setting out the scenarios in which compensation would apply. This is known as direct compensation
 - (b) Powers to make regulations compensating members by adjustment to scheme pays debits. This is known as indirect compensation
 - (c) Powers relating to tax relief on a contingent decision to buy Added Years
 - (d) Powers to make regulations setting out how interest should be calculated and paid on amounts due to the remedy.

- (e) Powers to make regulations setting out the process to follow for paying amounts due to the remedy, including where amount may be netted off
- (f) Powers relating to the Remediable Service Statements (RSS), including elements that must be provided. The Directions confirm that the RSS must be combined with the Annual Benefit Statement, other than the first RSS which is issued

28. The Home Office will be using these Treasury Directions to help determine some of the regulations needed in the secondary legislation.

RECOMMENDATION

29. That the content of the report be noted by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

- 30. APPENDIX A – [FPS Bulletin 61](#) (September 2022)
- 31. APPENDIX B – [FPS Bulletin 62](#) (October 2022)
- 32. APPENDIX C – [FPS Bulletin 63](#) (November 2022)
- 33. APPENDIX D – [FPS Bulletin 64](#) (December 2022)

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