



Minutes of a meeting of the Leicester, Leicestershire and Rutland CFA - Local Pension Board held at County Hall, Glenfield on Thursday, 10 November 2022.

PRESENT

Ms. Betty Newton CC (in the Chair)

Mr. J. Orson CC  
Adam Taylor

Graham Vaux

In attendance

Callum Faint, Chief Fire and Rescue Officer  
Paul Weston, Assistant Chief Fire and Rescue Officer  
Colin Sharpe, Pension Scheme Manager  
Helen Scargill, West Yorkshire Pension Fund  
Sean Connor, Regional Pensions Adviser, Derbyshire Fire and Rescue Service

7. Apologies.

An apology for absence was received from Councillor H Rae Bhatia.

8. Minutes.

The minutes of the Local Pension Board held on 1 September 2022 were taken as read, confirmed and signed.

9. Conflicts of Interest.

The Chairman invited members who wished to do so to declare conflicts of interest in respect of items on the agenda.

10. Scheme Manager's Update.

The Board received a report of the Pension Scheme Manager which provided an update on the local management and administration of the Firefighters' Pension Scheme and a review of the approach to the immediate detriment remedy for category 2 retired members. A copy of the report marked 'Agenda Item 4' is filed with these minutes.

Members were informed that no breaches had been identified for the period to 31 October 2022 and no significant changes to the Risk Register were proposed. However, this would be thoroughly reviewed for the next meeting.

With regard to immediate detriment, there had been no significant updates since the last meeting, although it was noted that part of the 'injury to feelings' claim had been settled nationally. In relation to the approach to the category 2 immediate detriment remedy for retired members, the recommendation was, at this stage, to not offer the option to take the immediate detriment remedy in advance of the October 2023 legislation. The Scheme Manager reported that there was a clear tax cost risk to individuals and, in particular, the CFA in moving ahead of the national timetable. There would be an

unauthorised payment charge of 40% of the remedy payment and a possible surcharge of a further 15%; under current legislation, additional pension benefits made to category 2 members more than twelve months after the original payment were subject to this charge. It had been commented that the expected legislation could have retrospective effect to April 2022 but this had not been confirmed. The CFA could also be liable to a scheme sanction charge of up to 40% and there would be a cost on the potential clawback of tax relief already received on the contributions into the 2015 scheme.

The Government's current position was that any taxation due to be paid by Fire and Rescue Authorities (FRAs) delivering remedy before the October 2023 legislation would be payable under the current tax system and would not be funded by the Government. The LGA had also advised that whilst the unauthorised payment charge must be paid, FRAs did not have the discretion to deduct it from the member if they chose to allow category 2 payments before the secondary legislation. In effect, FRAs were accepting the unauthorised payment charge obligation and this would not be reimbursed by the Government. There was also a risk that the CFA could find itself required to reimburse the member any tax costs if the Pensions Ombudsman held that the CFA should not have facilitated the member to proceed.

At its previous meeting, the Board had questioned the scale of the financial risk. It was stated that twelve retired members could be entitled to the immediate detriment remedy. Broadly, the total unauthorised payment charge payable by the CFA, if all eligible members were to take the remedy early, could be in the region of £50,000 - £100,000. The position would be kept under ongoing review.

However, it was important to note that members would still receive their full entitlement when the October 2023 legislation came into effect and there would be no tax risks or penalties. The recommendation of the Scheme Manager was therefore, at this stage, to not offer category 2 members the option of taking their immediate detriment remedy in advance of the October 2023 legislation.

It was noted that the draft legislation was likely to be made available in January 2023, but there was a slight possibility that this would occur sooner. Once this had been published, it was hoped that FRAs would have a dispensation from any unauthorised payment charge. It was agreed that, if the legislation was published before January 2023, an urgent meeting of the Board would be arranged.

#### **RESOLVED:**

It was moved by Mrs Newton CC and seconded by Mr Orson CC that:

- a) The update be noted and reported to the meeting of the Combined Fire Authority on 30 November 2022; and
- b) The recommendation of the Pension Scheme Manager not to offer category 2 members the option of taking their immediate detriment remedy in advance of the October 2023 legislation be approved.

#### 11. Scheme Administrator's Update.

The Board received an update from the Pension Scheme Administrator on the administration of the Firefighter Pension Scheme since the last meeting. A copy of the

report, marked 'Agenda Item 5', is filed with these minutes. Members were informed of the following:

- The Monthly Client Reports had been issued for September and October. The LGA Bulletins 60 and 61 had contained an action for FRAs to review the eligibility factsheet and take any appropriate action. The Pension Scheme Administrator would be undertaking this work.
- The Fire Communications Working Group was looking to produce a letter for members with advice around the age discrimination remedy.
- The DWP had now confirmed that the staging date for the national pensions dashboard would be 30 September 2024 and the value data would be available by 1 April 2025.
- 100% of Annual Benefit Statements for active members had been produced by the deadline of 31 August. The Scheme Administrator was working with the payroll provider to deal with any queries.
- In relation to Pension Savings Statements, 17 members had breached the annual allowance in the 2021/22 year. All had received their Statement before the deadline.
- West Yorkshire Pension Fund had recently recruited a new Pension Fund Representative. David Parrington would now provide support to FRAs, training and produce useful information.
- A full disaster recovery test had been completed on 14 September. A couple of minor issues would need to be investigated arising from this but the Board would receive a copy of the report.

**RESOLVED:**

It was moved by Mrs Newton CC and seconded by Mr Orson CC that the update provided on the administration of the firefighter pension scheme be noted.

12. Employee Representative's input.

There was nothing to report.

13. Date of next meeting.

The next meeting of the Leicester, Leicestershire and Rutland Combined Fire Authority Local Pension Board will be held on 25 January 2023 at 10.00am.

10.00 - 10.40 am  
10 November 2022

CHAIRMAN

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