



Minutes of a meeting of the Leicester, Leicestershire and Rutland CFA - Local Pension Board held at County Hall, Glenfield on Thursday, 2 December 2021.

PRESENT

Mr. J. T. Orson JP CC (in the Chair)

Cllr. Hemant Rae Bhatia  
Adam Taylor

Graham Vaux

In attendance

Colin Sharpe, Pension Scheme Manager  
Paul Weston, Assistant Chief Fire and Rescue Officer  
Karl Bowden, Interim Assistant Chief Fire and Rescue Officer  
Helen Scargill, West Yorkshire Pension Fund  
Matthew Mott, West Yorkshire Pension Fund  
Anna Poole, Democratic Services Officer  
Gemma Duckworth, Democratic Services Officer

23. Apologies.

No apologies were received.

24. Minutes of the previous meeting.

The minutes of the Local Pension Board held on 22 September were taken as read, confirmed and signed.

25. Conflicts of Interest.

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

No declarations were made.

26. Scheme Manager's Update (including Pensions Scheme Risk Register and Breaches Register).

The Board received a report of the Pension Scheme Manager concerning the Firefighters' Pension Scheme Risk Register and the Firefighters' Pension Scheme Breaches Register. A copy of the report marked 'Agenda item 4' is filed with these minutes.

Members were informed that the Risk Register remained unchanged and that no breaches had taken place since the last report to the Board.

**RESOLVED:**

It was moved by Mr. Orson CC and seconded by Councillor Rae Bhatia that the Risk Register be approved and the Breaches Register be noted.

27. Firefighters' Pension Scheme update - immediate detriment.

The Board considered a report of the Pension Scheme Manager concerning the age discrimination/immediate detriment related to the Firefighters' Pension Scheme. A copy of the report marked "Agenda Item 5" is filed with these minutes.

The Pension Scheme Manager updated the Board on the latest developments - that the Home Office had withdrawn its existing informal and non-statutory guidance and had advised Fire and Rescue Authorities not to process any immediate detriment cases before legislation was in place. In addition, the Home Office had clarified that additional funding would not be available for those costs which were paid outside of the pension account, that were not considered to be legitimate expenditure under the pension scheme regulations and any associated administration costs, including any charges from pension administrators. These would need to be funded locally by each fire and rescue authority from local budgets. This new advice was accompanied by guidance from Her Majesty's Treasury which clarified that the Government would not meet the cost of any tax implications for pension scheme members or the CFA.

The Board was informed that a report, and a verbal update on the recent developments, had been considered by the CFA at its meeting earlier that morning. The Pension Scheme Manager explained that, in light of the guidance, he had been unable to recommend to the CFA that the Memorandum of Understanding (MoU) and the Framework be adopted, and that this potentially left the CFA at risk of fresh legal proceedings by affected members, potentially supported by the FBU.

The CFA, in light of the communications received from the Home Office and Her Majesty's Treasury, had resolved to pause action to address the immediate detriment at this time. The Board was informed that the CFA reluctantly took the decision due to the uncertain financial risk posed to the CFA of not following the Government's advice. The Pension Scheme Manager explained that no further retirements were currently scheduled to be processed under immediate detriment before March 2022.

Members were informed that:

- Six retirements had been completed under immediate detriment; these would need to be reviewed when the new legislation was available;
- A small number of firefighters were approaching retirement, one of which was in December. The consequences to this person would be evaluated, although was not believed to be impacted;
- As firefighters only needed to give one-month's notice, it was possible that more firefighters would plan to retire in the New Year and would be affected by the recent Government guidance than was known at this time;
- A list of Category 2 people (those already retired under the 2015 scheme but who might choose to be treated as having retired under their legacy scheme) was being compiled; it was expected that around 20 people would be affected;
- Work would be undertaken to ensure that data and systems were in place to process retirements quickly once the revised guidance was received;

At 12.25pm, the employer representatives/FBU members asked for time to confer outside of the meeting. They reconvened at 12.31pm.

Graham Vaux asked whether the CFA had fully considered the potential costs of individual legal action that may be taken, as had been taken and won in other FRS. The Pension Scheme Manager responded that this had not been considered in any detail at this stage, as the guidance had only just been received, hence the recommendation to the CFA to 'pause' matters until the full implications could be considered. However, the risk had been highlighted to the CFA. He added that a meeting between the pension scheme managers in Nottinghamshire, Derbyshire and Leicestershire would be held that afternoon to consider and explore the implications of the guidance.

The West Yorkshire Pension Fund representative informed the Board that the FBU had earlier, released a circular indicating that further action would be taken against FRS who did not sign the MoU.

In response to questions, the Pension Scheme Manager acknowledged that by the accident of meeting date, Leicestershire could be the first FRS to pause adopting the MoU due to the new Government advice. Should the situation change, for example due to a better understanding of the risks, advice would be sought from the Monitoring Officer about the most appropriate method of seeking CFA input.

It was moved by Mr. J. T. Orson JP CC and seconded by Councillor H. Rae Bhatia that

- a) The update concerning the age discrimination remedy / immediate detriment related to the Firefighters' Pension Scheme, be noted;
- b) The decision of the CFA to pause action to address immediate detriment cases in light of the communications received on 29 November 2021 from the Home Office and Her Majesty's Treasury, be noted; and
- c) The Board make any comments on the CFA decisions and the operational implications.

**RESOLVED:**

That

- a) The update concerning the age discrimination remedy / immediate detriment related to the Firefighters' Pension Scheme, be noted;
- b) The decision of the CFA to pause action to address immediate detriment cases in light of the communications received on 29 November 2021 from the Home Office and Her Majesty's Treasury, be noted; and
- c) The Board make any comments on the CFA decisions and the operational implications.

28. Scheme Administrator's Update.

The Board considered a report of the Pension Scheme Administrator which provided an update on the administration of the Firefighter Pension Scheme for the period 1 July to 30 September 2021. A copy of the report marked 'Agenda item 6' is filed with these minutes.

In presenting the report, the Pension Scheme Administrator informed members that:

- i. All Annual Benefit Statements had been completed on time.

- ii. No breaches had occurred in the period.
- iii. The software to be used for the calculation of immediate detriment had been received and was working well. All those firefighters affected had been identified and the West Yorkshire Pension Fund was ready to process them once the guidance was clear.

It was moved by Mr. J. T. Orson JP CC and seconded by Councillor H. Rae Bhatia that the update provided on the administration of the Firefighter Pension Scheme for the period 1 July 2021 – 30 September 2021 be noted.

**RESOLVED:**

That the update provided on the administration of the Firefighter Pension Scheme for the period 1 July 2021 – 30 September 2021 be noted.

29. Employee Representative's input.

The employee representatives asked for an update to be provided on the discussion at the previous meeting of the Board regarding whether all those affected by immediate detriment could be given an accurate quotation to enable them to consider their retirement options. The Pension Scheme Manager responded that the focus to date had been on those currently employed members that were *actually* retiring. The West Yorkshire Pension Fund added that the situation had changed earlier this week, in that estimates for those looking to retire after 1 April 2022 could now be produced, although they would include the raw details of their legacy scheme only, rather than full details of all options.

The employee representatives added that they hoped that all those firefighters considering retirement would receive accurate quotations to enable them to make informed decisions and expressed concern about working practices in handling requests for quotations. WYPF agreed to speak with LFRS staff to agree process and clarity on roles and working practices to enable accurate quotations to be produced.

The Chairman asked that training be provided for Pension Board members and the Pension Scheme Manager agreed to arrange this with the Regional Pension Adviser.

30. Date of next meeting.

The next meeting of the Local Pension Board will be held on Wednesday 9 February 2022 following the meeting of the Combined Fire Authority.

12.08 - 12.53 pm  
02 December 2021

CHAIRMAN