

To: Fire and Rescue Authorities, England

From: Peter Spreadbury

Re: HMT Written Ministerial Statement in Parliament on 6 July 2023 outlining the identified error in the Treasury Revaluation Orders for 2021 and 2022.

<u>Written statements - Written questions, answers and statements - UK</u> Parliament

## Dear Colleague

Treasury Revaluation Orders are used to revalue in-service benefits for members of the 2015 Firefighters' Pension Scheme, under the Firefighters' Pension Scheme (England) Regulations 2014 (SI 2014/2848).

In the statement, HM Treasury made clear that during the work leading up to the laying of the Treasury Revaluation Order published in 2023 an error had occurred. The 2021 and 2022 Treasury Revaluation Orders had used a provisional increase figure in November of that year rather than a revised figure in December which was used in the previous Orders from 2015 to 2020.

Whilst the legislation setting out how the revaluation is applied does not specifically state how a figure of Average Weekly Earnings growth is obtained for the purposes of revaluation, the Government intends to correct the position to align the Treasury Revaluation Orders for 2021 and 2022 with those of the previous years. This will result in an increase of 0.2% for 2021 and 0.4% for 2022. Scheme Managers will be required to correct this error retrospectively.

We do not anticipate any change to the increase to member benefits of 0.2% for 2021 and 0.4% for 2022, as set out in HM Treasury Written Ministerial Statement. That said, the Home Office intends to consult on amendments to the Firefighters' Pension Scheme (England) Regulations 2014, to ensure regulation changes achieve the desired outcome. In the meantime, HO asks all fire and rescue authorities in England to apply the below with immediate effect.

## In respect of correcting the affected years for any member that is impacted, with immediate effect:

 Scheme managers should apply the necessary administration changes needed to correct the error that occurred in the 2021 and 2022 revaluation orders for affected members' benefits in advance of the regulatory changes being made, as set out in the Written Ministerial Statement from HM Treasury.