

Agenda Item 7

The report is for information.

REPORT TO: Fire Authority

DATE: 17 September 2018

SUBJECT: Local Pension Board –Annual Report 2017/18

SUMMARY:

The Authority's Local Pension Board is required to produce an Annual Report of its work during each financial year, for presentation to the Fire Authority and publication on the Authority's website. The Annual Report for 2017/18 is attached at Appendix 1.

RECOMMENDATIONS:

That the Fire Authority notes the content of the Local Pension Board Annual Report for 2017/18.

REPORT APPROVAL

Clerk:	Comments: Approved Date: 10.09.18
Director:	Comments: Approved Date: 10.09.18
Finance/Treasurer:	Comments: Approved Date: 11.09.18
Chief Fire Officer	Comments: Approved Date: 11.09.18

BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:

Local Pension Board – Terms of Reference

Presenting the Report:	ACO Kevin Jones Director of Resources
Report Author(s) and Designation	Mr Mark Miles Head of Human Resources
Date original report written	28 August 2018

Mae'r adroddiad ar gyfer Penderfyniad

ADRODDIAD I'R: Awdurdod Tân

**DYDDIAD: 17 Medi
2018**

TESTUN: Bwrdd Pensiwn Lleol – Adroddiad Blynyddol 2017/18

CRYNODEB:

Mae'n ofynnol i'r Bwrdd Pensiwn Lleol lunio adroddiad blynyddol ar ei waith yn ystod pob blwyddyn ariannol, i'w gyflwyno i'r Awdurdod Tân a'i gyhoeddi ar wefan yr Awdurdod. Mae'r Adroddiad Blynyddol draft ar gyfer 2017/18 wedi'i atodi yn Atodiad 1.

ARGYMHELLION:

Bod yr Awdurdod Tân yn nodi cynnwys Adroddiad Blynyddol y Bwrdd Pensiwn Lleol ar gyfer 2017/18.

CYMERADWYO'R ADRODDIAD

Clerc:

**Sylwadau: Cymeradwywyd
Dyddiad: 10.09.18**

Cyfarwyddwr:

**Sylwadau: Cymeradwywyd
Dyddiad: 10.09.18**

Cyllid / Trysorydd:

**Sylwadau: Cymeradwywyd
Dyddiad: 11.09.18**

Prif Swyddog Tân

**Sylwadau: Cymeradwywyd
Dyddiad: 11.09.18**

PAPURAU CEFNDIR A DDEFNYDDIWDYD WRTH BARATOI'R ADRODDIAD HWN:

Bwrdd Pensiwn Lleol – Cylch Gorchwyl

Yn cyflwyno'r adroddiad:

PSC Kevin Jones
Cyfarwyddwr Adnoddau

Awdur(on) yr Adroddiad a'u Swyddi

Mr Mark Miles
Pennaeth Adnoddau Dynol

Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol

28 Awst 2018

**REPORT TO THE FIRE AUTHORITY
17 SEPTEMBER 2018
LOCAL PENSION BOARD –ANNUAL REPORT 2017/18**

Summary

The Authority's Local Pension Board is required to produce an Annual Report of its work during each financial year, for presentation to the Fire Authority and publication on the Authority's website. The Annual Report for 2017/18 is attached at Appendix 1.

1 Introduction

- 1.1 The Public Service Pensions Act 2013 (the Act), which received Royal Assent on 25 April 2013, enshrines many of the reforms of public service pension schemes based on the recommendations made by the independent Review of Public Service Pension Schemes led by Lord Hutton.
- 1.2 Under the Act, individual Fire and Rescue Authorities (FRA) are responsible for the governance of the 2015 Firefighters' Pensions Scheme, and Section 4 of the Act confirmed that each FRA would become a Scheme Manager with responsibility for administering the scheme(s). The functions of a Scheme Manager are to:
- Manage and administer the 2015 scheme; and
 - Any statutory pension scheme(s) (e.g. the 1992 and 2007 Firefighters' Pension Schemes) that are connected to it.
 - Provide active members with benefit statements and record keeping as directed.
 - Keep specified records in accordance with regulations, e.g. information about contributions due to a scheme.
 - Notifying the Pensions Regulator of an employer's failure to pay pension contributions on time if that failure is likely to be something that the Pensions Regulator would consider materially significant.
 - Ensure that no conflict of interest exists at the time of appointing a board member and while the board member continues to serve on that board.
- 1.3 Additionally, Scheme Managers were required to set up Local Pension Boards to assist the Scheme Manager in ensuring all the schemes are administered in accordance with relevant legislation and any directions given to the scheme by the Pension Regulator.
- 1.4 The role of the Local Pension Board is to:
- Assist the Scheme Manager in securing the effective and efficient governance and administration of the pension scheme and any statutory scheme connected with it, ensuring that they are operated to an appropriate standard. Pension Boards will have oversight of

- the 1992, 2007, and 2015 Firefighters' Pension Schemes.
 - Ensure the schemes secure compliance with any requirements imposed by the Pensions Regulator.
 - Undertake such matters as the scheme regulations may specify.
- 1.5 The Scheme Manager is also responsible for appointing members of the Local Pension Board. There must be an equal number of persons appointed to represent employees and employers on the board. There can also be other board members representing different interests, e.g. a representative of the Scheme Manager as well as/or independent board members.
- 1.6 As part of its duties, the Local Pension Board must produce an Annual Report of the work undertaken during the financial year by the Pension Board and the Annual Report must be presented at the September meeting of the Fire Authority prior to being published on the Authority's website.
- 1.7 As set out in the Terms of Reference for the Local Pension Board, the Annual Report should include:
 - a summary of the work of the Pension Board and a work-plan for the coming year;
 - details of areas of concern reported to or raised by the Pension Board and recommendations;
 - details of any declarations of conflicts of interest that have arisen in respect of individual Pension Board Members;
 - any areas of risk or concern the Pension Board wish to raise with the Scheme Manager;
 - details of training received and identified training needs; and
 - details of any expenses and costs incurred by the Pensions Board and any anticipated expenses for the forthcoming year.

2 National/Wales Position

- 2.1 Each Local Pension Board is responsible for the format and content of its Annual Report. However, there are standard inclusions as set out in paragraph 1.7.

3 MAWWFRS Current Position

- 3.1 An Annual Report for 2017/18 is attached at Appendix 1 of this report.

4 Proposal

- 4.1 Fire Authority Members are asked to note the content of the Local Pension Board Annual Report for 2017/18 and the activities undertaken by the Board during the reporting period.

5 Financial Implications

- 5.1 Expenditure related to the Local Pension Board is contained within the Annual Report, which is attached at Appendix 1.

6 Risk Assessment / Legal Implications

- 6.1 The Annual Report complies with requirements placed upon the Local Pension Board to publish information on its membership and activities during the financial year and is compliant with the Terms of Reference of the Board.

7 Equality & Diversity Including Welsh Language

- 7.1 All the practices are considered to be fully compliant.

8 Human Resources & People Development

- 8.1 Considered not relevant.

9 Information and Communications Technology

- 9.1 Considered not relevant.

10 Estates

- 10.1 Considered not relevant.

11 Service Delivery

- 11.1 Considered not relevant.

12 Fire Authority Governance

- 12.1 Pension Scheme Governance is the responsibility of the Fire Authority and the Local Pension Board.

13 Consultation and Communication

- 13.1 A draft Annual Report was considered and approved by Local Pension Board Members at its meeting on 09 July 2018.

14 Evaluation

- 14.1 Considered not relevant.

15 Well-being of Future Generations (Wales) Act 2015

- 15.1 The Service is committed to ensuring that the key principles of the Well-being of Future Generations (Wales) Act 2015 are supported.

16.0 Data Protection and Privacy Issues

- 16.1 All personal information collected and stored as part of the appointment of Members to the Local Pension Board are processed in accordance with the Authority's Data Protection procedures.

16 Recommendations

- 16.1 That the Fire Authority notes the content of the Local Pension Board Annual Report for 2017/18.



Gwasanaeth Tân ac Achub
Canolbarth a Gorllewin Cymru

Mid and West Wales
Fire and Rescue Service

Local Pension Board

Draft Annual Report 2017 - 2018



www.mawwfire.gov.uk

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Contents

1	Foreword	5
2	Membership and meetings of the Pension Board	6
3	Work undertaken by the Pension Board during 2017/18	6
4	Areas of concern or risk reported to or raised by the Pension Board	7
5	Mid and West Wales Fire and Rescue Service Website	8
6	Conflicts of interests	9
7	Expenses and Costs	9
8	Gifts and Hospitality	9
9	Training	9
10	Legislative updates	11

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1 Foreword



The purpose of this Mid and West Wales Fire and Rescue Authority Local Pension Board Annual Report is to provide a source of information about the status of Mid and West Wales Fire and Rescue Authority Local Pension Board for Scheme Members and for the Scheme Manager, and to provide a summary of issues considered during the period 1 April 2017 – 31 March 2018.

In accordance with Section 5 and s.30 (1) of the Public Service Pension Act 2013, and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the Mid and West Wales Fire and Rescue Authority Local Pension

Board was established in April 2015 to assist the Scheme Manager (the Authority) in the effective and efficient administration and management of the various firefighters' pension schemes.

This Report includes commentary on the following;

- A summary of the work undertaken by the Local Pension Board during 2017/18 and a work-plan for 2018/19
- Areas of concern or risk reported to or raised by the Pension Board
- Any expenses and costs incurred by the Pension Board and any anticipated expenses for 2018/19
- Detail of any conflicts of interest that have arisen in respect of Pension Board Members
- Detail of any gifts and hospitality received by members of the Pension Board
- Detail of training received and identified training needs for Pension Board members

Finally, may I once again express my gratitude to my fellow Board Members, who give their time voluntarily, particularly to those who are now standing down, and also to the Officers for the support they provide to the Board.

Gerard Moore
Independent Chair
Mid and West Wales Fire and Rescue Authority Local Pension Board

2 Membership and meetings of the Pension Board

2.1 The Mid and West Wales Fire and Rescue Authority Local Pension Board comprises 9 members as follows:

4 x Scheme Member representatives

4 x Employer representatives (2 Fire Authority Members and 2 Officers)

1 x Independent Chair

2.2 In addition to Local Pension Board Members, the following key officers support the Board and attend Board meetings:

- Clerk to the Authority and Monitoring Officer
- Section 151 Officer
- Director of Resources
- Head of Human Resources
- Human Resources Officer – Pensions
- Head of Finance
- Democratic Services Officer

2.3 The Board met on 3 occasions during 2017/18 the dates being:

- 10 July 2017 - 44% Attendance
- 20 November 2017 - 56% Attendance
- 12 March 2018 - 50% Attendance

Two of these meetings were scheduled in accordance with the approved frequency of meetings in the Terms of Reference. The remaining meeting was convened in accordance with the provision in the Terms of Reference for the Independent Chair to call additional meetings with the consent of the Board membership to enable Pension Board Members to discharge their duties effectively.

3 Work undertaken by the Pension Board 2017/18

3.1 The work undertaken by the Board has been defined by the Terms of Reference.

3.2 During the period 1 April 2017 – 31 March 2018 the following matters were considered by the Pension Board:

- To consider and agree the Local Pension Board Annual Report for 2016 / 2017.

- To receive a report on the Annual Benefit Statement 2016 / 2017
- To receive a report on the Fire Pensions Annual Conference 2017
- To receive and consider the results of the Pension Regulator Public Service Survey
- To receive a report on the Pensions Regulator Scheme Return
- To receive a presentation on the update of the General Data Protection Regulations
- To receive a report on the Service Level Agreement between Mid and West Wales Fire and Rescue Service and Dyfed Pension Fund
- To receive a report on the Scheme Advisory Board for Wales' response to Welsh Ministers on the Government Actuary Department's 2016 valuation assumptions for the Firefighters Pension Schemes (Wales)
- To receive a report on the Firefighters' Pension Scheme – Fire Authority's Discretions
- To receive a report on Pensions Tax Awareness / Voluntary Scheme Pays Policy

3.3 Each agenda also includes the following standing items;

- Apologies for Absence
- Declaration by Members of any Personal, Prejudicial or Conflicts of Interests
- Chairs Announcements / Personal Matters
- Minutes of last meeting and matters arising
- To receive an update from the Scheme Administrator
- To receive a verbal update from the Scheme Advisory Board meeting
- To receive an update on the Risk Register
- To receive an update on the Local Pension Board Budget
- To receive a report on Firefighters' Pension Scheme Activity
- To receive report on the Training Needs Analysis and Training Programme
- Forward Work Programme

4 Areas of Concern or Risk reported to or raised by the Pension Board

4.1 Information has been categorised based on the following Classifications

Classification	Action
	Outstanding
	Partially complete
	Complete

4.2. The Pension Board identified the following areas that warranted further enquiry as detailed in the table below.

Meeting	Summary	Outcome / resolution	Complete
28 November 2016	Issue of Annual Benefit Statements by statutory deadline	To be reported in November 2017	
13 March 2017	On-going Pension Dispute	Noted	
10 July 2017	Risk Area 1 relating to 'Administration process failure', on the Risk Register to reflect the Service Level Agreement updated in April 2017.	Risk Area 1 be amended as agreed.	
20 November 2017	Scheme Manager responsibilities of the pension function to be delegated to the Director of Resources	Approved by the Fire Authority at its meeting on 11 December 2017.	
20 November 2017	'Date of last Review' column to be included within the Risk Register.	Risk Assessment Template updated to include a 'Date of last Review'	
12 March 2018	Introduction of a Voluntary Scheme Pays Policy to be recommended to the Fire Authority.	Approved by the Fire Authority on 06 June 2018.	

5 Mid and West Wales Fire and Rescue Service Website

5.1 Further information regarding the Local Pension Board and to obtain previous meeting minutes can be found on our website as follows: -

<http://www.mawwfire.gov.uk/English/FireAuthority/Committees/Pages/Local-Pension-Board.aspx>

6 Conflicts of interest

- 6.1 Membership of the Scheme itself is not a conflict of interest.
- 6.2 Members of the Local Pension Board are required to declare any personal, prejudicial, or conflicts of interest. The Conflicts of Interest Register is maintained by the Corporate Communications and Business Development Department.
- 6.3 There have been no declarations made by any member, advisor or attendee at any meeting of the Board during the relevant period.

7 Expenses and Costs

- 7.1 The following expenditure has been incurred by the Local Pension Board during 2017/18:

Independent Chair (Fees)	£5,988
Travel Expenses/Subsistence	£927.21
Training Costs	£1,498

8 Gifts and Hospitality

- 8.1 There have been no declarations of gifts or hospitality received by Members of the Local Pension Board during the relevant period.

9 Training

- 9.1 It is a statutory requirement of the Public Service Pensions Act 2013 that members of the Local Pension Board should have the capacity to become conversant with, and develop a knowledge of, detailed pension related issues to effectively carry out their duties.
- 9.2 The following training and information has been provided during the year to Local Pension Board members:
- General Data Protection Regulation
 - Overview of Firefighters' Pension Schemes
 - Local Pension Board Governance
 - Pensions Regulator Code of Practice No.14
 - Fire Pension Tax Awareness
 - Scheme Manager Responsibilities
 - Employer Responsibilities
 - Advisors Responsibilities

9.3 New Members have also been provided with the following documentation during a one on one induction with the Chair as part of their information pack:

- Membership of the Board
- Terms of Reference
- Local Pension Board Annual Report
- Public Service Pensions Code of Practice 14 (Pensions Regulator) including short guides
- Examples of potential conflicts of interest
- Guide to the Firefighters' Pension Scheme 1992
- Guide to the Firefighters' Compensation Scheme 2007
- Guide to the Firefighters' Pension Scheme (Wales) 2007
- Guide to the Firefighters' Pension Scheme (Wales) 2015
- Guide to the Retained Firefighters Modified Pension Scheme
- Communication Policy Statement
- Reporting Breaches of the Law
- Training Needs Analysis Form

This is considered good practice and the information pack has been shared with other Fire and Rescue Authorities.

9.4 Future Training Provision includes new and refresher training on:

- Pensions Regulator e-learning package
- Firefighter Pension Scheme Regulations
- Firefighters' Pension Scheme legislation
- General pensions legislation
- Roles and Responsibilities
- Funding and Accounting
- Tax and contracting out
- Key bodies connected to the Firefighters' Pension Schemes

The above list is not exhaustive.

9.5 Relevant Pension Ombudsman cases are also presented to Pension Board Members as the decisions serve as a learning tool for Pension Board Members.

9.6 During the year, the following on-going cases were reviewed;

- Pensionable Pay

10 Legislative updates

10.1 As a statutory requirement, members of the Local Pension Board have been provided with regular legislative updates.