

**AWDURDOD TÂN AC ACHUB CANOLBARTH A GORLLEWIN  
CYMRU**



**MID AND WEST WALES FIRE AND RESCUE AUTHORITY**

**CYFARFOD O'R BWRDD PENSIWN LLEOL, A GYNHELIR  
MEETING OF LOCAL PENSION BOARD, HELD ON  
DYDD LLUN, 11 GORFFENNAF 2016  
MONDAY, 11 JULY 2016**

**PENCADLYS Y GWASANAETH TÂN AC ACHUB  
HEOL LLWYN PISGWYDD, CAERFYRDDIN  
FIRE AND RESCUE SERVICE HEADQUARTERS,  
LIME GROVE AVENUE, CARMARTHEN**

**11:00 – 15:35**

**56% presenoldeb / attendance**

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIRPERSON: Mr G Moore

AELODAU/MEMBERS: Cllr C Anderson, Cllr G Thomas  
Mr S Bryant, Mr A Hearne (FBU), I Cray.

YMDDIHEURIADAU/APOLOGIES: R Walters, A Sherman, T Dicker, M Crennell

YN BRESENNOL /IN ATTENDANCE: E Aitken, D Daycock, M Miles,  
S Rees, S Davidson.

## **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr R Walters, Mr A Sherman, Mr T Dicker and Mr M Crennell.

## **2 DECLARATION BY MEMBERS OF ANY PERSONAL OR PREJUDICIAL INTERESTS**

Councillors G Thomas and C Anderson declared that they had a personal interest in any business relating to, or affecting their own Constituent Authority.

Mr A Hearne and Mr S Bryant declared an interest by virtue of their trade union memberships.

Mrs E Aitken declared an interest as the Treasurer of the Fire Authority and current Chair of the Association of Principal Fire Officers (APFO) Wales.

## **3 CHAIR'S ANNOUNCEMENTS / PERSONAL MATTERS**

The Chair extended a warm welcome to Councillor Cyril Anderson, as a new Member of the Local Pension Board.

## **4 MINUTES OF LAST MEETING AND MATTERS ARISING**

The Clerk/Monitoring Officer requested for an amendment to be made on page 3, item 5 to the word resides. It was confirmed that this wording would be altered to, "no longer sit as a Member of the Local Pension Board."

Councillor G Thomas enquired if the HR/Payroll system was operating fully, to which it was confirmed by the Head of Human Resources, that it was not presently operating fully, and that the Service were in the process of working with the software providers in order to resolve the issues as quickly as possible.

In response to an enquiry made by the Chair, the Head of Human Resources responded and stated that all of the information for the Annual Benefit Statements had been provided to the Scheme Administrator, who were in the process of finalising the statements for publication to members by the 31 August. Committee were advised that the online statements for the Local Government Pension Scheme (LGPS) would be available by 31 August 2016, and that every effort was being made to meet the deadline for the Firefighter Schemes too.

The Head of Human Resources responded to a query raised by the Chair, and clarified that the Terms of Reference for the Local Pension Board had been submitted to the Fire Service's insurers, in order to clarify that the work of the Board and its Members was covered by the organisation's insurance policy, and to subsequently obtain the relevant cover for Members. A discussion ensued amongst Members with regards to employer's indemnity cover for Members. This will remain on the agenda until it is satisfactorily resolved.

The Chair advised Members that for all future meetings of the Local Pension Board, he will endeavour to circulate the action list and communication from the previous meetings more promptly. The Clerk/Monitoring Officer advised the Chair that now the composition of the Local Pension Board had been agreed, he would arrange for Members to receive the necessary training.

## **5 TO RECEIVE AN UPDATE FROM THE SCHEME ADMINISTRATOR**

The Chair informed Members that on this occasion the Scheme Administrator was unfortunately unavailable to attend to provide an update to Board Members, and it was anticipated that they would be in attendance at the next meeting scheduled to take place in November. The Chair re-iterated the need for a fully documented service level agreement with the third party administrator.

## **6 TO RECEIVE A VERBAL UPDATE FROM THE SCHEME ADVISORY BOARD MEETING**

The Director of Resources provided Members with an update from the Scheme Advisory Board Meeting that had taken place on 27 April 2016.

A discussion ensued amongst Members with regards to member representation and voting rights on the Scheme Advisory Board. The Director of Resources stated that she believed it would be beneficial for the Deputy Chair of the Fire Authority to receive Local Pension Board training, in order to attend Scheme Advisory Board meetings, in the absence of the Chair of the Fire Authority.

Board Members were advised that Welsh Government were to provide further clarification in relation to the administrative costs of the Board being reimbursed. The Director of Resources informed Board Members that the Fire Brigades Union had raised a query regarding transitional arrangements and the different categories of personnel, to which it was confirmed that following a query by Michael Prior, Chair of the Scheme Advisory Board in Wales, that the number of individuals eligible for transitional arrangements, would be provided to the Scheme Advisory Board, by the Fire Brigades Union in due course.

An update was provided on the Norman vs Cheshire court case, where it was confirmed that no action was to be taken by any Fire and Rescue Services until further clarification of the case had been provided. The Head of Human Resources responded and stated that a Stage 2 application had been considered by the Fire Authority's, Investigating, Disciplinary and Disputes Committee, who had determined that the Service was to continue with the current arrangements. Mr A Hearne informed Board Members that the case had been referred to the Pensions Ombudsman for consideration, as the understanding of what is considered to be permanent was being debated. The Head of Human Resources advised Board Members, of the Fire Authority's view and understanding of what is considered to be permanent and therefore, pensionable.

The Director of Resources updated Board Members that the Welsh Government had indicated that a consultation with regards to amending the Firefighters' Pension

Scheme, in order to introduce contribution holidays, would be concluded in the summer.

It was also reported that Welsh Government had proposed some amendments to the Firefighters Pension Scheme 2015.

The Chair enquired if it would be possible to receive copies of the Scheme Advisory Board reports for information, to which it was confirmed by the Director of Resources that the reports were publically available and could therefore be obtained with ease by Board Members, should they wish to do so. Board Members were informed that the next meeting of the Scheme Advisory Board was scheduled to take place in September.

Board Members were advised of a change in regulations for the 1992 Firefighters' Pension Scheme with regards to the spousal survivor's death benefit, it was confirmed that the death benefit upon re-marrying was currently under review, in order to be consistent with other Pension Schemes.

The Chair queried whether the Scheme Advisory Board in Wales would be considering Key Performance Indicators (KPIs). This would be explored.

#### **RESOLUTION**

**It was *RESOLVED* to note the update from the Scheme Advisory Board meeting.**

### **7 TO RECEIVE AN UPDATE ON THE RISK REGISTER**

The Head of Human Resources informed Members that this was a standing Agenda item, and that should any risks be identified, the Risk Register would be updated and the amendments reported to Board Members.

#### **RESOLUTION**

**It was *RESOLVED* that**

***Local Pension Board Members note the update on the Risk Register.***

### **8 TO RECEIVE AN UPDATE ON THE PENSION BOARD BUDGET**

The Chair reported to Board Members that the total expenditure for the Local Pension Board during 2015/16 amounted to £4,558.

The Board were advised that they would be kept informed of matters relating to the Pension Board Budget.

#### **RESOLUTION**

**It was *RESOLVED* that the update on the Pension Board Budget be noted.**

## **9 TO RECEIVE A REPORT ON FIREFIGHTERS PENSION SCHEME ACTIVITY**

The Human Resources Officer introduced a report to Board Members on the Firefighters' Pension Scheme Activity, for the period 01 April 2016 to 30 June 2016.

Board Members were informed of the number of pension scheme members across the various pension schemes, together with the number of pensioner members of each scheme, and the number of deferred members of each scheme.

Board Members were made aware that thirteen pension benefit estimates had been provided during the reporting period, and that no new Internal Disputes Resolution Procedures applications or complaints had been received.

The Human Resources Officer advised Board Members that one complaint had been referred to the Pension Ombudsman, which had been considered by the Authority's Investigating, Disciplinary and Disputes Committee on 05 October 2015, where the complaint was not upheld. Board Members were informed that this matter was still being considered by the Pension Ombudsman.

Mr A Hearne stated to Members that Pension related complaints, which are referred to the Pension Ombudsman, can take a considerable length of time to be investigated, as they are usually extremely complex matters.

The Chair thanked the Human Resources Officer for the update and reported that the information had been valuable for Board Members. The Chair looked forward to receiving regular updates of this nature.

### **RESOLUTION**

**It was *RESOLVED* that the report on the Firefighters Pension Scheme Activity be noted.**

## **10 TO CONSIDER AND AGREE THE LOCAL PENSION BOARD DRAFT ANNUAL REPORT 2015/16.**

The Chair presented a report to Members on the Local Pension Board Draft Annual Report, which outlined the work of the board for the 2015/16 financial year. Board Members were informed that the Annual Report, once approved by Board Members, would be presented to the Members of the Fire Authority for approval, at its meeting on the 19 September 2016.

A discussion ensued amongst Board Members regarding Conflicts of Interest and the appointment of Members to the Local Pension Board. The Head of Human Resources circulated examples of conflicts of interest amongst Board Members.

The Chair stated to Board Members that it was incumbent upon them to recognise that their role as a Board Member was to act on behalf of scheme members and employers and to assist the Scheme Manager in ensuring good governance and administration of the Firefighters' Pension Schemes in operation within the Service.

Mr A Hearne responded and stated that it is important for employees to be aware that the Board Members had been appointed for the best interest of the Scheme Members.

The Head of Human Resources confirmed that the Terms of Reference of the Board allowed for the diversification of the composition of board members particularly those representing Scheme Members. Mr A Hearne expressed concerns with regards to the way in which Board Members were appointed and that there was a lack of representation of all pension schemes.

The Chair responded and stated that he believed that the composition of the Local Pension Board had representation for the majority of Scheme Memberships, however acknowledged that there was no representation on the Board from a Pensioner Member or Deferred Member.

It was also clarified that Scheme Member Representatives need not necessarily be Trade Union Representatives.

#### **RESOLUTION**

**It was *RESOLVED* that the report on the Local Pension Board Draft Annual Report 2015/16 be agreed for approval by the Fire Authority.**

#### **11 TO CONSIDER AND RECOMMEND A DRAFT PROCEDURE FOR REPORTING BREACHES OF THE LAW.**

The Chair presented a report on the draft procedure for reporting breaches of the law, and referred Board Members to the Appendix of the report, which provided the detail with regards to the procedures to be followed for the Fire Pension Schemes. It was confirmed that the draft procedure for reporting breaches of the law was a requirement of the Pension Regulator's Code of Practice 14. Board Members were informed that no breaches had been recorded for the Service.

Board Members were encouraged to download and complete the reporting of breaches training module, as it provided an overview of what would be considered as a breach of the law. The Chair advised Board Members that all breaches reported to the Pension Regulator must be made in writing and provided a summary of the information the individuals should be providing whilst reporting a breach.

Board Members were referred to Appendix B of the report which provided a traffic light framework for deciding whether or not to report a breach, and also Appendix C which was an example record of breaches.

The Chair informed Board Members that inaccurate and late Pension Scheme data at the very least would be recordable breaches, and therefore encouraged Members to familiarise themselves with the on-line examples of reported breaches, in order to understand fully what breaches are recordable and what breaches are reportable.

## **RESOLUTION**

**It was *RESOLVED* that the report on the draft procedure for Reporting Breaches of the Law be agreed for approval by the Fire Authority.**

### **12 TO CONSIDER AND RECOMMEND A DRAFT FIREFIGHTER PENSION SCHEME COMMUNICATIONS POLICY STATEMENT**

Board Members were presented with a report on the draft Firefighter Pension Scheme Communications Policy Statement. Board Members were informed that the report was a requirement of the Pension Regulator's Code of Practice 14 for the Governance and Administration of Public Service Pension Scheme, which recommended that Scheme Managers implement a Communications Policy Statement.

Board Members were referred to Appendix 1 and provided with an overview of the information contained within the Appendix.

The Chair emphasised the importance of pension scheme members checking their Annual Benefit Statements in order to identify any errors, which can therefore be rectified as early as possible.

Mr A Hearne stated that following the changes to the Pension Scheme being based upon an individual's career average earnings, he echoed the Chairs comments regarding the importance of individuals checking their Annual Benefit Statements.

## **RESOLUTION**

**It was *RESOLVED* that the report on the Firefighter Pension Scheme Communications Policy Statement be agreed for approval by the Fire Authority.**

### **13. TO RESOLVE, THAT PURSUANT TO SECTION 100A (4) OF THE LOCAL GOVERNMENT ACT 1972, THAT THE PRESS AND PUBLIC BE EXCLUDED FROM THE MEETING FOR THE REASON, THAT IF THEY WERE PRESENT, IT IS LIKEY THAT THERE WOULD BE DISCLOSURE TO THEM OF EXEMPT INFORMATION WITHIN THE DESCRIPTION OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972, NAMELY:**

**PARAGRAPH 14: INFORMATION RELATING TO THE FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE AUTHORITY HOLDING THAT INFORMATION).**

## **RESOLUTION**

***It was RESOLVED that the press and public be excluded from the meeting pursuant to Section 100A (4) of the Local Government Act 1972 for the above reasons.***

**14. TO RECEIVE A REPORT ON THE FIREFIGHTERS' PENSION SCHEME 2015 TAPER PROTECTION – LEGAL CHALLENGE**

The Chair presented a report to Board Members on the Firefighters' Pension Scheme 2015 Taper Protection – Legal Challenge, and provided Local Pension Board Members with an overview of the report together with the detail of the legal process to date.

**RESOLUTION**

***It was RESOLVED that members note the content of the report.***

***Exclusion of the press and public lifted – Members of the press and public were now free to re-join the meeting.***

**15. TO RECEIVE A REPORT ON AUTOMATIC ENROLMENT – RE-ENROLMENT**

The Deputy Head of Human Resources presented a report to Board Members on Automatic Enrolment – Re-enrolment, and provided Board Members with an update on the Service's position in this regard. It was confirmed that the Service had received notification from the Pensions Regulator that re-enrolment must be completed between 01 June 2016 and 30 November 2016. It was reported that the automatic enrolment date provided originally had been 01 September 2013, however, legislation had permitted the Service a transitional period to delay automatically enrolling certain workers until 01 October 2017.

Board Members were made aware that any employee above the age of 22, who had joined the Service after September 2013 and was earning above £10,000, would be automatically Re-enrolled into the 2015 Scheme. It was confirmed that the Service was therefore compliant with its obligations under automatic enrolment legislation, as re-enrolment was a legal requirement.

The Director of Resources enquired as to the position of South Wales Fire and Rescue Service and North Wales Fire and Rescue Service, to which the Head of Human Resources stated that he was not aware of NWFRS' position but SWFRS had previously indicated that they would implement auto enrolment in January 2014. It was not known whether this was the case or not.

Board Members were referred to item 5.1 of the report, the financial implications where it was confirmed by the Director of Resources that some funds had been allocated within the budget to allow for any potential costs incurred with the enrolment of eligible employees under Automatic Enrolment.

**RESOLUTION**

***It was RESOLVED that the report on the Automatic Enrolment – Re-enrolment be noted, and that the Board noted potential additional costs associated with the enrolment of eligible employees.***

## 16. TRAINING NEEDS ANALYSIS AND TRAINING PROGRAMME

In the light of the training event which preceded the formal Board meeting, Board Members discussed the Training Needs Analysis and Training Programme. The Chair informed Board Members that the topics for upcoming training events would be centred around the areas where it was identified that there was less of an understanding by Board Members.

The main areas Board Members had indicated they were less familiar with were; general pensions legislation applicable to the FPS, tax and contracting out, and the roles of advisors and other key persons and key Bodies

Mr A Hearne questioned where the Pension Regulator Training Toolkit Certificates were to be sent for recording, to which it was confirmed that certificates should be sent to the Head of Human Resources for retention.

A discussion ensued amongst Board Members regarding indications and preferences for future training events. The Director of Resources advised Board Members that discussions had also take place at the Scheme Advisory Board for joint training events between the three Welsh Fire and Rescue Services. The idea of joint training events was encouraged and welcomed by the Chair.

### **RESOLUTION**

**It was *RESOLVED* that the update on the Training Needs Analysis and Training Programme be noted.**

## 17. FORWARD WORK PROGRAMME

The Chair introduced the Local Pension Board Forward Work Plan for 2016/17 and provided Members with an overview of the work plan for 11 July 2016, 28 November 2016 and 13 March 2017.

Board Members were requested to inform the Chair of any areas they believed needed to be included on the Forward Work Plan. It was confirmed that the Terms of Reference was due to be reviewed and Board Members should fully engage in the review process.

The Chair requested for an overview of the pension scheme expenditure, and the Director of Resources confirmed that this would be provided at the November meeting.

Following approval of the draft reports by Local Pension Board Members, for final approval by Members of the Fire Authority, the Chair enquired if it would be possible to receive a copy of the minutes from the Fire Authority meeting taking place on the 19 September, in order to document the decisions made by the Fire Authority. It was agreed that these would be received at the November meeting.

There were no other items of business.

The Chair thanked Board Members for their participation and confirmed that the next meeting was scheduled to take place on Monday 28 November 2016.

The meeting closed at 15:35.