

**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, 13 MAWRTH 2017

MONDAY, 13 MARCH 2017

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

14:00 – 15:25

67% presenoldeb / attendance

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIRPERSON: Mr G Moore

AELODAU/MEMBERS: Cllr G Thomas, S Bryant, I Cray, T
Dicker (RFU), M Crennell (APFO)

YMDDIHEURIADAU/APOLOGIES: Mr A Hearne (FBU)

YN BRESENNOL /IN ATTENDANCE: D Daycock, K Jones, M Miles, S
Davidson, M Morgan (Agenda Item 5),
K Gerrard (Agenda Item 5)

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr Andrew Hearne (Fire Brigades Union).

2 DECLARATION BY MEMBERS OF ANY PERSONAL OR PREJUDICIAL INTERESTS

Councillor G Thomas declared a personal interest in any business relating to, or affecting Powys County Council.

The Deputy Chief Fire Officer declared a personal interest in any matters relating to the Association of Principal Fire Officers (APFO) Wales.

3 CHAIR'S ANNOUNCEMENTS / PERSONAL MATTERS

The Chair informed Members that a pre-meeting had taken place prior to the commencement of the meeting whereby Members reflected upon the Board's progress to date.

It was reported that the Pension Regulator had contacted the Chair and it was confirmed that all information relating to the Local Pension Board was up to date on the Service's website.

4 MINUTES OF LAST MEETING AND MATTERS ARISING

The minutes of the Local Pension Board meeting held on 28 November 2016 were approved as a true record of proceedings, subject to the following amendment:

Front cover- update attendance level to 75%.

MATTERS ARISING

Page 1, Item 4 - The Head of Human Resources reported that enquiries would be made to establish whether the indemnity cover for Fire Authority Members would be extended to all Members of the Local Pension Board.

Page 2, Item 5 – The Temporary Director of Resources reported that arrangements would be made for the Section 151 Officer to write to Core HR outlining the Board's concerns regarding the HR/Payroll system and its associated ongoing risks to the Fire Authority.

Page 3, Item 6 – The Chair confirmed that he had received the internal audit report from Carmarthenshire County Council.

5 TO RECEIVE AND NOTE A REPORT FROM THE SCHEME ADMINISTRATOR

Local Pension Board Members received an update from Mr Martin Morgan and Mr Kevin Gerrard (Scheme Administrators at Carmarthenshire County Council) on various ongoing work-streams. Board Members were provided with a summary of the

information contained within the report, which comprised progress relating to the Annual Benefit Statements and the support provided to the Service to ensure the extraction of end of year data in the specified format, an update on the e-communication 'My Pension online' facility, the Guaranteed Minimum Pension (GMP) reconciliation and website hosting. A regulatory update was also provided in relation to the exit payment cap, exit payment recovery, pension increase and GMP and the new transfer value factors which would take effect from 1 March 2017.

The Chair thanked the Scheme Administrators for their update and reported that the Board would be kept apprised of Pension Scheme updates by way of a written report to each meeting, along with an annual presentation, unless it was deemed appropriate for the Administrators to attend on any particular issues that may arise.

Mr Gerrard and Mr M Morgan departed the meeting at 14:35.

RESOLUTION

It was *RESOLVED* to note the update from the Scheme Administrator.

6 TO RECEIVE AND NOTE A REPORT ON THE PROVISION OF ANNUAL BENEFIT STATEMENTS FOR 2016/17

The Human Resources Officer presented the report on the provision of Annual Benefit Statements for 2016/17 and provided Board Members with an update on the end of year pension contribution data reconciliation process and the action plan to meet the deadlines set by the Pension Administrators to issue Annual Benefit Statements for 2016/17.

The Board were reminded of the statutory requirement to issue the Annual Benefit Statements by 31 August 2017 and accordingly a meeting had taken place with the Pension Scheme Administrators on 27 January 2017 to discuss a robust process moving forward to avoid a repeat of the delay in issuing the Annual Benefit Statements as had happened for 2015/2016 statements.

It was noted that a mid-year data validation exercise had been introduced in order to alleviate some of the end of year pressure. However, due to the format of the data being extracted from the CoreHR Payroll System, both Service officers and representatives of the Administrators agreed there would be little benefit achieved by such an exercise as it would introduce a significant complexity when merging all data together for end of year. The Board were assured that the Service was regularly liaising with the Pension Scheme Administrators in order to identify aspects of data cleansing which would be carried out prior to end of year, thereby reducing the potential queries which would arise from this exercise.

The Head of Human Resources referred to the schedule provided by the Pension Administrators and confirmed to Board Members that the Service was currently on schedule to meet its deadlines.

RESOLUTION

It was **RESOLVED** it was resolved that the Board note the progress towards the timely production of Annual Benefit Statements for 2016/17.

7 TO RECEIVE A REPORT ON THE TRAINING ANALYSIS AND TRAINING PROGRAMME

Board Members gave consideration to the Training Needs Analysis and Training Programme. The Chair made reference to the external training received to date which had been well delivered, relevant and was considered value for money.

The Head of Human Resources informed Board Members that the topics for upcoming training events would be refreshed following confirmation of the Board's Membership from June 2017 onwards and would be centred around the areas where it was identified that there was less of an understanding by Board Members. Members were also reminded of the requirement to complete training evaluation documentation following each training session, with a view to developing individual training records for each Member. All Board Members were therefore encouraged to review the Training Needs Analysis and put forth any suggestions for future areas of training to the Human Resources Officer to ensure that their skills, competencies and knowledge were sufficient to undertake their role on the Local Pension Board.

The Chair drew attention to the Training Needs Analysis set out at Appendix 1 of the report and in considering the provision of Procurement Training, it was requested that Head of Human Resources make enquiries to determine what procurement training had been delivered by the LGA Pension Advisors to the LGPS.

RESOLUTION

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

8 TO RECEIVE A VERBAL UPDATE FROM THE SCHEME ADVISORY BOARD MEETING

The Head of Human Resources provided Members with an overview of proceedings from the Scheme Advisory Board Meeting that had taken place on 3 February 2017, which included a discussion on its governance arrangements and running costs for the Scheme Advisory Board. Members were also provided with an update on discussions at English Scheme Advisory Board Meetings and a review of the GAD data in terms of administration benchmarking, best practice and cost effectiveness; together with a summary of opt out data.

In response to a query from the Deputy Chief Fire Officer, the Head of Human Resources confirmed that the Chair of the Fire Authority represented the Authority on Scheme Advisory Board and attended with Officer support by the Director of Resources or Head of Human Resources.

The Chair referred to the invitation that had been sent to the Chair of the Scheme Advisory Board to attend a future meeting of the Local Pension Board. Board

Members discussed possible meeting dates and it was suggested that 10 July 2017 would be put forward as the most favourable date, with 3rd July 2017 a second option for consideration. It was agreed that the Chair of the Scheme Advisory Board would be contacted to determine availability.

RESOLUTION

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

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 November 2016 to 28 February 2017.

Board Members were informed of the number of 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 12 pension benefit estimates had been provided during the reporting period. In response to a query from the Chair, Board Members were comfortable that the average turnaround time of 15 working days to provide the pension illustrations was adequate.

Furthermore, it was confirmed that no new Internal Disputes Resolution Procedures applications or complaints had been received.

The Human Resources Officer provided Members with an overview of 2 complaints which had been referred to the Pension Ombudsman which related to the way the Service dealt with certain allowances in terms of whether they were Pensionable under the Firefighters' Pension Scheme 1992, Firefighters Pension Scheme (Wales) 2007 and the Firefighters' Pension Scheme (Wales) 2015. It was noted that the Service had responded to the Pension Ombudsman and was awaiting further determination in this regard.

A discussion ensued regarding section 3.3 of the report and it was agreed that the Service would commence collating information regarding the reasons as to why employees had chosen to opt out of the Pension Scheme, though it was recognised that employees may not wish to disclose such information.

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 RECEIVE AND CONSIDER A REPORT ON THE LOCAL PENSION BOARD – RISK ASSESSMENT FORM

Consideration was given to the Risk Assessment attached at Appendix 1 of the report which comprised Operations, Financial, Funding and Regulatory & Compliance areas of risk.

Of particular importance to Board Members was the requirement to review the Service Level Agreement in place with Carmarthenshire County Council which would specify the levels of performance expected of the Scheme Administrators.

Members were informed that, at its meeting on 6 February 2017, the Fire Authority had approved the Board's recommendations to update the Risk Assessment in a number of areas. Board Members considered the risk factors and control measures in place and looked forward to receiving a further update at the next meeting.

RESOLUTION

It was *RESOLVED* that the Risk Assessment be noted.

11 TO RECEIVE AN UPDATE ON THE PENSION BOARD BUDGET

The Head of Human Resources provided an overview of the Local Pension Board Budget, which was projected at £7,500 for 2016/17. The Board were informed that costings in respect of training had been adjusted to reflect the services provided by external training providers, which had proven to be excellent value for money.

RESOLUTION

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

12 TO RECEIVE AND NOTE A REPORT ON THE FIREFIGHTERS' PENSION SCHEME CONTRIBUTIONS HOLIDAY PROVISION

The Human Resources Officer provided Board Members with an update on the current position concerning the Firefighters' Pension Scheme (FPS) 1992 – Pension Contributions Holiday issue.

It was explained to Members that, following a successful legal challenge brought by the Fire Brigades Union (FBU) on the grounds of age discrimination, the Firefighters' Pension Scheme (Wales) (Amendment and Transitional Provisions) Order 2016 amended the Firefighters' Pension Scheme 1992 with the introduction of the pension contributions holiday provision. The Order came into force on 31 December 2016 and applied retrospectively to 01 December 2006.

Members were provided with an overview of the 45 Scheme Members applicable to Mid and West Wales Fire and Rescue Service who were affected by the ruling and it was anticipated that the majority of refunds would be made by no later than 31 March 2017. It was confirmed by the Head of Human Resources that the Welsh

Government would meet the costs of the refunds, the majority of which had already been received.

RESOLUTION

It was *RESOLVED* that the update on progress of the Firefighters' Pension Scheme (FPS) 1992 – Pension Contributions Holiday exercise in Mid and West Wales Fire and Rescue Service be noted.

13 TO RECEIVE AND NOTE A REPORT ON THE FIREFIGHTERS' PENSION SCHEME 2015 TAPER PROTECTIONS – LEGAL CHALLENGE

The Human Resources Officer provided Board Members with an overview of the legal challenge brought forth by the Fire Brigades Union (FBU) on the grounds of age, gender and race relating to the taper protections of the Firefighters' Pension Scheme 2015. Board Members noted that the hearing concluded in January 2017 and that the employment tribunal's judgement rejected the age discrimination claims brought forward by the FBU. It was reported that no action was required by the Service following the judgement, however it was acknowledged that the Fire Brigades Union had noted its intentions to appeal the judgment.

RESOLUTION

It was *RESOLVED* that the content of the report be noted and any further developments be monitored.

14 TO RECEIVE AND CONSIDER THE FORWARD WORK PROGRAMME

The Chair introduced the Local Pension Board Forward Work Plan for 2016/17 and provided an overview of the work plan for March 2017- November 2017.

It was requested that any suggestions for inclusion in the Forward Work Plan be submitted to the Chair for consideration.

RESOLUTION

It was *RESOLVED* that the Forward Work Plan be noted.

There were no other items of urgent business. The Chair did however inform the Board that Councillor G Thomas had indicated that she would not be standing for the Local Government Elections in May 2017 and as such this would be her final meeting of the Local Pension Board. The Chair, on behalf of all Board Members, extended his gratitude to Councillor G Thomas for the sterling contribution she had made to the Local Pension Board since its inception in 2015. Board Members took the opportunity to wish Councillor G Thomas well in her future endeavours.

The meeting closed at 15:25.