

**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, 9 GORFFENNAF 2018**

**MONDAY, 9 JULY 2018**

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

**14:00 – 16:05**

**63% presenoldeb / attendance**

Presennol yn y Cyfarfod/Present at Meeting:

CADEIRYDD/CHAIRPERSON: Mr G Moore

AELODAU/MEMBERS: Cllr C Mills (Fire Authority member and employer representative), Cllr Des Thomas (Fire Authority member and employer representative), I Cray (employer representative), T Dicker (member representative), A Hearne member representative)

YMDDIHEURIADAU/APOLOGIES: S Bryant (employer representative),

YN BRESENNOL /IN ATTENDANCE: K Jones, M Miles, S Mansbridge, D Daycock, S Tillman, K Gerard (Item 5), M Morgan (Item 5)

## **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from S Bryant (employer representative).

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

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

Councillor D Thomas declared a personal interest in any business relating to, or affecting City and County of Swansea Council.

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

The Chair extended a warm welcome to Councillor D Thomas to his first meeting following his appointment to the Local Pension Board.

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

The minutes of the Local Pension Board meeting held on 12 March 2018 were approved as a true record of proceedings. There were no matters arising.

## **5 TO RECEIVE AND NOTE AN UPDATE REPORT FROM THE SCHEME ADMINISTRATORS**

Local Pension Board Members received an update by the Scheme Administrators, Mr K Gerard and Mr M Morgan, on various ongoing work-streams. Board Members were provided with a summary of the information contained within the report, which comprised the actions undertaken to ensure compliance with the General Data Protection Regulations; transition of the pensions software system to an ISO27001 accredited hosted service; and the general move towards E-Communications, including the implementation of a new 'My Pension Online' system for Scheme Members.

Mr K Gerard was pleased to report that all formatting issues in respect of the end of year data had been resolved, thereby ensuring that the process remained on target for completion in order to issue the annual benefit statements by the statutory deadline of 31 August 2018.

A discussion ensued on the Guaranteed Minimum Pension (GMP) reconciliation process and it was reported that the Scheme Administrators were on target to meet the completion date of December 2018, notwithstanding that further information had been submitted to HMRC in order that they amend their records, however a response remained outstanding in this regard.

Mr K Gerard provided an overview of the Data Quality Reports which was required to be undertaken on an annual basis in line with the Pension Regulators Code of Practice no.14, Governance and Administration of Public Service Pension Schemes.

It was reported that the number of records without a single failure was 91.5% for Firefighter Scheme records and 94.5% for LGPS records; furthermore, the number of records without a single scheme specific data failure was 85.5% for Firefighter Scheme records, and 85.3% for LGPS records. Board Members acknowledged the limitations in improving data records in respect of deceased members and recognised that many data failures could be attributed to incomplete record fields. Assurances were provided to the Board that the incomplete record fields had no impact on a Scheme Member's pension benefits figures. Board Members noted that regular data quality assurance checks would be undertaken by way of a 3-year Data Improvement Plan which had been put in place to address the data failures. In response to a query raised, the Scheme Administrators confirmed that approval would be sought with Carmarthenshire County Council to circulate a copy of the Data Improvement Plan to the next meeting.

The Board considered the workflow statistics for the key tasks undertaken in respect of Firefighters Pension Scheme(s) for the period 1 January 2018 to 31 March 2018 set out at Appendix 1 of the report. In response to a query raised in respect of potential breaches, the Scheme Administrators clarified that the only matter of concern related to the GMP reconciliation process, however it was emphasised that the enquires made to the HMRC related to National issues and they had been assured that a response would be provided in due course.

## **RESOLUTION**

*It was RESOLVED that*

- 1. The verbal update by the Scheme Administrators be noted.*
- 2. The Scheme Administrators provide a copy of the Data Improvement Plan to the Local Pension Board at its next meeting, subject to approval within Carmarthenshire County Council.*

*Mr M Morgan and Mr K Gerard departed the meeting at this point.*

## **6 TO RECEIVE A VERBAL UPDATE REGARDING THE PENSION SCHEME ADVISORY BOARD (WALES) MEETING**

The Director of Resources provided Members with an overview of proceedings from the Scheme Advisory Board (SAB) Meeting that had taken place on 20 March 2018. The SAB discussions comprised an update on the 2016 Valuation whereby the HM Treasury had postponed its consultation on their updated Valuation and Cost Cap regulations which had consequently delayed receipt of the draft valuation results from GAD. The SAB further considered the Pension Ombudsman cases in relation to Pensionable Pay and Scheme Data information in respect of Employee Contribution Rates, Scheme Costs and Scheme Opt Out Data. An update on the consultation regarding the Firefighters' Pension Scheme Amendments was also provided, together with an update on the Guaranteed Minimum Pension data reconciliation exercise.

## **RESOLUTION**

***It was RESOLVED that the verbal update regarding the Pension Scheme Advisory Board for Wales meeting be noted.***

**7 TO RECEIVE AND CONSIDER A REPORT ON THE LOCAL PENSION BOARD – RISK REGISTER**

The Board received for consideration the Risk Assessment document attached at Appendix 1 of the report which comprised Operations, Financial, Funding and Regulatory & Compliance areas of risk. No areas of recommendation were identified by the Local Pension Board on this occasion. It was agreed that the Board would reflect upon the scoring mechanisms on an annual basis, with further discussion in this regard to take place at the next meeting.

**RESOLUTION**

***It was RESOLVED that***

- 1. The Risk Register be noted and accepted;***
- 2. The scoring mechanisms for the Risk Register be reviewed on an annual basis, with further discussion in this regard to take place at the next meeting.***

**8 TO RECEIVE A REPORT ON THE TRAINING ANALYSIS AND TRAINING PROGRAMME**

Board Members gave consideration to the Training Needs Analysis and Training Programme.

Reference was made to the Local Government Association Firefighters' Pension AGM on 17 and 18 September 2018 which Local Pension Board Members were welcome to attend should they wish to do so.

Board Members were requested to consider any training and development requirements in the light of the Training Needs Analysis template to enable future training events to be centred around the greatest skills gap identified by Board Members. It was requested that the completed Training Needs Analysis form be submitted to the Pensions Officer.

**RESOLUTION**

***It was RESOLVED that***

- 1. the update on the Training Needs Analysis and Training Programme be noted;***
- 2. Board Members submit completed Training Needs Analysis to the Pensions Officer.***

**9 TO RECEIVE AND CONSIDER THE FORWARD WORK PROGRAMME**

The Chair provided an overview of the Local Pension Board Forward Work Programme for July 2018 – March 2019.

## **RESOLUTION**

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

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

The Pensions Officer introduced a report to Board Members on the Firefighters' Pension Scheme Activity for the period 1 March 2018 to 30 June 2018.

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.

It was reported that 36 employees had joined the Firefighters Pension Scheme (Wales) 2015 and 6 had elected to opt out.

The Pensions Officer was pleased to report that the 8 pension benefit illustrations requested during the reporting period had been provided within the prescribed timescales. In response to a query raised, the Pensions Officer confirmed that of the employees who had requested pension benefit illustrations, a total of 3 had subsequently retired from the Service.

Board Members were informed that the 2 complaints which had previously been reported to the Local Pension Board remained ongoing with the Pensions Ombudsman.

Reference was made to Appendix 1 of the report which detailed the changes to benefits for certain survivors of deceased members of the Firefighters Pension Schemes 1992 and 2007.

In response to a request made, the Pensions Officer agreed that future reports would capture activity in respect of the number of recorded and reportable breaches within a reporting period.

A request was made by Mr A Hearne that awareness of the updated 'My Pension Online' facility be promoted on the intranet. This was agreed.

## **RESOLUTION**

*It was RESOLVED that*

- 1. The report on the Firefighters Pension Scheme Activity be noted;*
- 2. Future reports capture activity in respect of the number of recorded and reportable breaches within a reporting period.*

**3. Awareness of the 'My Pension Online' facility be promoted on the intranet.**

**11 TO RECEIVE AND NOTE THE LOCAL PENSION BOARD BUDGET**

The Board received the Local Pension Board Budget report which provided an update on the latest budgetary position and projected an expenditure of £8,500 for 2018/19 and compared against an actual expenditure of £8,087 for 2017/18.

**RESOLUTION**

***It was RESOLVED that the Local Pension Board expenditure set out at Appendix 1 of the report be noted.***

**12 TO CONSIDER AND AGREE THE LOCAL PENSION BOARD DRAFT ANNUAL REPORT 2018/19**

The Chair presented a report to Members on the Local Pension Board Draft Annual Report, which outlined the work of the Board during the 2017/18 financial year.

Board Members were informed that the Annual Report, once approved by Board Members, would be presented to the Fire Authority at its meeting on the 17 September 2018. The Board discussed the manner of reporting such reports to Fire Authority meetings, where attendance by the report author may prove problematic, or instances where it was not considered cost-efficient for the report author to attend. There was broad support for presenting such items remotely, and officers agreed to explore various options in this context to determine the most appropriate presentation method.

**RESOLUTION**

***It was RESOLVED that***

- 1. The Local Pension Board Draft Annual Report 2017/18, be recommended to the Fire Authority at its September 2018 meeting;***
- 2. Officers to explore options to determine the most appropriate presentation method of the Local Pension Board Draft Annual report to Fire Authority.***

**13 TO RECEIVE A REPORT ON THE OUTCOME OF THE SCHEME ADVISORY BOARD SURVEY OF FIRE RESCUE AUTHORITIES LOCAL PENSION BOARDS 2017**

The Board received a report on the outcome of the Scheme Advisory Board Survey of Fire and Rescue Authorities' Local Pension Boards 2017 which aimed to monitor the progress made by Boards since their establishment in legislation. Consideration was given to Appendix 1 of the report which set out a summary of the results in terms of

the number of board meetings, membership, key processes, scheme governance and communications. In discussing the results, the Board was satisfied that its current meeting arrangements and frequency of meetings was sufficient to undertake the work of the Board and noted that additional meetings could be convened on an ad-hoc basis if required.

Attention was drawn to section 4.4.9 of the survey results whereby the Head of Human Resources provided an overview of the recordable breach identified by the Authority. Board Members were assured that corrective measures had been implemented to prevent a reoccurrence and any future potential breaches would be communicated to the Board in a timely manner.

Reference was made to section 4.5.3 of the survey results and the Chair enquired whether Boards could establish the mechanisms in place within other Local Pension Boards to measure the success or effectiveness of their work. The Head of Human Resources agreed that contact would be made with the Local Government Association to identify potential Key Performance Indicators that could be utilised by the Board.

## **RESOLUTION**

*It was RESOLVED that*

- 1. The content of the report and the summary of results from the Scheme Advisory Board set out at Appendix 1 be noted;*
- 2. Any future potential breaches to be circulated to Local Pension Board Members in a timely manner;*
- 3. Contact be made with the Local Government Association to identify potential Key Performance Indicators for the Local Pension Board.*

## **14 TO RECEIVE AND APPROVE A REPORT ON THE LOCAL PENSION BOARD TERMS OF REFERENCE**

The Head of Human Resources reported that it was considered opportune to review the Local Pension Board Terms of Reference in line with the requirements of the Public Service Pensions Act 2013. Consideration was therefore given to the Terms of Reference and Rules of Procedure document set out at Appendix 1 of the report which outlined the Board's General Operating Arrangements, Membership of the Board and Meeting Arrangements.

A discussion ensued regarding the constitution of the Board whereby alternative Board representation models were considered, including specific representatives from the 1992 scheme and 2007 scheme, in addition to a retired scheme member which could assist in achieving optimum attendance levels.

In considering attendance levels, some Members expressed the view that persistent non-attendance of a Board Member, or failure to meet key attendance and training requirements, should lead to the removal a member from the Board, while others felt that an investigative and consultative process should be undertaken in the first instance to establish the reasons for non-attendance.

It was agreed that the Head of Human Resources would instigate the process set out at Appendix 1 of the report to appoint replacement scheme member representation, as required.

## **RESOLUTION**

It was **RESOLVED** that

***The Local Pension Board Terms of Reference be maintained;***

***The Head of Human Resources appoint replacement scheme member representation in line with the Terms of Reference set out at Appendix 1 of the report, as required.***

### **15 TO RECEIVE A REPORT ON THE LOCAL PENSION BOARD MEMBERS' TERMS OF OFFICE**

Consideration was given to the Term of Office for Local Pension Board Members which provided the appointment of Members for a period of 3 years, which could be extended by up to a further 2 years (i.e. maximum 5-year term) subject to the agreement by the Scheme Manager. The Chair commented that whilst there had been some turnover, at least 50% of Board Members had remained constant and this had benefitted the Board in terms of continuity, knowledge and understanding, and the development of the role of the Board itself. It was reported that a number of Board Members' initial 3-year term expired during 2018 and as such Board Members were requested to advise on their intentions to either cease or extend their term of office upon expiry.

An overview of the application process was provided by the Head of Human Resources and the Corporate Head of Resource suggested that a staggered approach to succession planning be adopted to preserve the Board's continuity of experience.

## **RESOLUTION**

***It was RESOLVED that all Board Members whose initial term of office ceases during 2018 to advise the Board on their intentions to either cease or extend their term of office upon expiry.***

**16**

**ANY OTHER ITEMS OF BUSINESS THAT BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR DECIDES SHOULD BE CONSIDERED AS A MATTER OF URGENCY PURSUANT TO SECTION 100(B)(4) OF THE LOCAL GOVERNMENT ACT 1972**

There were no items of urgent business.

Meeting closed 16.05.