

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, 12 MAWRTH 2018

MONDAY, 12 MARCH 2018

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

14:00 – 16:02

50% 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), I Cray (employer representative), T Dicker (member representative), Cllr K Laurie-Parry (observer)

YMDDIHEURIADAU/APOLOGIES: S Bryant (employer representative), Cllr A Woolcock (Fire Authority member and employer representative), Mr A Hearne (member representative)

YN BRESENNOL /IN ATTENDANCE: K Jones, M Miles, S Mansbridge, D Daycock, S Tillman, J Evans (Item 5), K Gerard (Item 6), M Morgan (Item 6)

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from S Bryant (employer representative), Cllr A Woolcock (Fire Authority member and employer representative) and Mr A Hearne (member 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.

The Clerk/Monitoring Officer advised all Officers affected by the Firefighters' Pension Scheme to declare a personal interest in respect of item 11 of the agenda, namely the Pensions Tax Awareness and Voluntary Scheme Pays Policy.

3 CHAIR'S ANNOUNCEMENTS / PERSONAL MATTERS

The Chair reported that notification had been received from Mr A Sherman confirming that he had stood down as a Member Representative of the Local Pension Board.

The Chair referred to a recent guidance document published by the Pensions Regulator in respect of Managing Service Providers. It was agreed that the Head of Human Resources would review the publication and circulate to Board Members if appropriate.

The Chair informed the Board that The Pensions Regulator's actions are to be 'clearer, quicker and tougher' on scheme managers and trustees, in a departure from its previous approach of 'educating, enabling and enforcing'.

It was agreed that the agenda would be reconfigured to enable the Pension Scheme Administrators to deliver their update to the Board upon their arrival.

4 MINUTES OF LAST MEETING AND MATTERS ARISING

The minutes of the Local Pension Board meeting held on 20 November 2017 were approved as a true record of proceedings. There were no matters arising.

5 TO RECEIVE A PRESENTATION ON THE UPDATE OF THE GENERAL DATA PROTECTION REGULATIONS

The Data Protection Officer provided the Board with an overview of the General Data Protection Regulations and outlined the key considerations in respect of pension matters for the Service to ensure compliance with the legislation, which would be enacted on 25 May 2018.

The Data Protection Officer provided assurances that any identified areas of concern which could potentially result in a breach of the General Data Protection Regulations in respect of pension matters would be reported to the Board accordingly.

RESOLUTION

It was RESOLVED that the verbal update on the General Data Protection Regulations be noted.

Ms J Evans, Data Protection Officer, departed the meeting at this point.

6
(formerly item 7)

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 required 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.

A discussion ensued on the 'My Pension Online' facility which would be further developed to enhance customer experience. Mr K Gerard requested that any feedback from Scheme Members be provided as soon as possible to enable the system to be developed according to the requirements of its end-users. The Director of Resources agreed to raise the matter at the forthcoming Fire Brigades Union meeting.

Mr K Gerard provided an overview of the Pensions Increase matter and reported that Central Government had extended their policy to cover those reaching State Pension Age between 6 April 2016 and 5 April 2021, and further information in respect of funding this provision was awaited.

Reference was made to the Guaranteed Minimum Pension (GMP) Reconciliation process and the Board were pleased to note that the pensions section had, to date, reconciled 86.3% of the records held and was on target to meet the completion date of December 2018.

The Board gave consideration to the workflow statistics for the key tasks undertaken in respect of Firefighters Pension Scheme(s) for the period 1 April 2017 to 31 December 2017 set out at Appendix 1 of the report. In response to a query by the Corporate Head of Resources, Mr K Gerard confirmed that all outstanding matters as at 1st April 2017 in respect of new starters and retirements had been completed.

Following responses from the Scheme Administrators to questioning from the Board, the Chair commended the Dyfed Pension Fund for not having any recorded breaches in respect of their Pensions Administration functions.

RESOLUTION

It was RESOLVED that

- 1. The verbal update by the Scheme Administrators be noted.***

- 2. Officers to request feedback regarding the 'My Pensions Online' facility from Scheme Members to be provided to the Scheme Administrators as soon as possible.**

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

7 (formerly item 6)

TO RECEIVE AND NOTE A REPORT ON THE SERVICE LEVEL AGREEMENT BETWEEN MID AND WEST WALES FIRE AND RESCUE SERVICE AND DYFED PENSION FUND

The Director of Resources provided an overview of the Service Level Agreement (SLA) between Mid and West Wales Fire and Rescue Service, and its third-party administrators, the Dyfed Pension Fund which had taken effect from 1 April 2017 for an initial period of 3 years.

The Chair reviewed the Service Standards set out at Section 3 of the SLA (Appendix 1) whereby Board Members concluded that Key Performance Indicators could be provided to the Scheme Administrators as a means of providing empirical assurances that timescales were being adhered to. It was agreed that the Chair would further discuss the matter with the Head of Human Resources.

RESOLUTION

It was RESOLVED that

- 1. The content of the report and the associated Service Level Agreement be noted.**
- 2. The Chair and Head of Human Resources further consider the introduction of Key Performance Indicators for Scheme Administrators**

8 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 Meeting that had taken place on 27 November 2017. The Scheme Advisory Board discussions comprised an update on the 2016 Valuation, consideration of 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 overview of the consultation in 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.

9 TO RECEIVE AND NOTE 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)

The Head of Human Resources provided the Local Pension Board with an update on the Scheme Advisory Board for Wales' formal response to Welsh Ministers on the Government Actuary Department's (GAD) 2016 Valuation Assumptions for the Firefighters' Pension Schemes (Wales). Members were referred to Appendix 2 of the report whereby the Local Pension Board gave consideration to the main issues of the response which centred upon pensioner mortality, retirement age, ill-health retirement, voluntary withdrawal, death before retirement, promotional pay, commutation, family statistics and valuation assumptions regarding using the same assumptions for women and men.

RESOLUTION

It was RESOLVED that the content of the GAD Valuation Report and the Scheme Advisory Board for Wales' formal response to Welsh Ministers be noted.

10 TO RECEIVE AND NOTE A REPORT ON THE FIREFIGHTERS' PENSION SCHEME - FIRE AUTHORITY'S DISCRETIONS

The Head of Human Resources presented a report on the Firefighters' Pension Schemes Discretions. It was reported that, at its meeting on 11 December 2017, the Fire Authority had considered and approved a report outlining how it would apply certain employer discretions in relation to the Firefighters' Pension Schemes 1992 and 2015 and other pension related regulations by way of a discretions policy statement.

Attention was drawn to Appendix 1 of the report which related to the Firefighters Pension Scheme 2015 and provided a change to the delegation of scheme manager responsibilities in order to avoid a potential conflict of interests (Regulation 14); pensionable pay in respect of continual professional development (Regulation 26); and also scheme member contributions regarding authorised absences (Regulation 120).

Local Pension Board Members also considered a further five discretions set out at Appendix 2 of the report which related to additional pension benefit arrangements (regulation B5C) and the commutation limit set out at regulation B7 of the Firefighters Pension Scheme 1992.

The Head of Human Resources outlined the financial implications surrounding the discretions.

RESOLUTION

It was RESOLVED that the Local Pension Board Members note the content of the report and the Fire Authority discretions in relation to the Firefighters' Pension Scheme as set out in Appendix 1 and Appendix 2.

Councillor C Mills departed the meeting at this point.

11 TO RECEIVE AND CONSIDER A REPORT ON PENSIONS TAX AWARENESS / VOLUNTARY SCHEME PAYS POLICY

The Head of Human Resources presented a report on the Pension Tax Arrangements in relation to an Annual Allowance Limit applied to the Firefighters' Pension Schemes. It was reported that a Mandatory Scheme Pays process was in place within the Authority, however there was no current policy in respect of Voluntary Scheme Pays. Board Members were referred to the Appendices A-C attached to the report which set out legal advice provided by the Local Government Association on behalf of Fire and Rescue Authorities; Welsh Government; and the Service's Legal Advisors (Veale Wasbrough Vizards), all of which broadly supported the introduction of a Voluntary Scheme Pays Policy.

The Clerk/Monitoring Officer referred to the advice provided by the Service's Legal Providers and sought clarification on the summary provided in the final paragraph of Appendix C. The Head of Human Resources agreed to reconcile the advice provided in this regard.

Attention was drawn to Appendix D of the report which set out the proposed Voluntary Scheme Pays Policy which stipulated the qualifying conditions and timescales that would be applied within the limit of its power of general competence. In response to a query by the Chair, the Head of Human Resources confirmed that the proposed policy could potentially impact upon any member who had transferred from the 1992 Scheme to the 2015 Scheme.

The Chair queried the financial implications emanating from the proposed Voluntary Scheme Pays Policy and the Head of Human Resources explained that costs would be met from the Pension Scheme Account, however the value could not be quantified at this stage.

RESOLUTION

It was RESOLVED that

- 1. The report be noted; and***
- 2. The introduction of a Voluntary Scheme Pays Policy be recommended to the Fire Authority, subject to further confirmation and clarification of the legal advice provided by Veale Wasbrough Vizards.***

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

Consideration was given to 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.

RESOLUTION

It was RESOLVED that the Risk Register be noted and accepted.

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

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

It was reported that each Member of the Board was responsible for ensuring that they had the appropriate degree of knowledge and understanding to enable them to exercise their role on the Local Pension Board effectively.

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.

RESOLUTION

It was RESOLVED that

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

14 TO RECEIVE AND CONSIDER THE FORWARD WORK PROGRAMME

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

RESOLUTION

It was RESOLVED that the Forward Work Programme be noted.

15 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 November 2017 to 28 February 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 43 employees had joined the Firefighters Pension Scheme (Wales) 2015 and 10 had elected to opt out.

The Pensions Officer was pleased to report that the 17 pension benefit illustrations requested during the reporting period had been provided within the prescribed timescales.

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

RESOLUTION

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

16 TO RECEIVE AND NOTE THE LOCAL PENSION BOARD BUDGET

The Chair provided an overview of the Local Pension Board Budget, which was projected at £8,087 for 2017/18 and compared against an actual expenditure of £9,413 for 2016/17.

RESOLUTION

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

17 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 16.02.