

**Minutes of the second meeting of the Local Pension Board held on 30 November 2015 at
Fire and Rescue Headquarters, St Asaph Business Park**

PRESENT

Cllr W Tudor Owen, Employer Representative (Chair)
Cllr Delyth Macrae, Employer Representative
Cllr J Rodney Skelland, Employer Representative
Ken Finch, Treasurer, Employer Representative
Dawn Docx, Deputy Chief Fire Officer, Advisor
Julie Brown, Pensions Manager, Advisor
Ruth Simmons, ACFO, Association of Fire Principal Officers
Geraint Hughes, Fire Officers' Association, Employee Representative
Paul Scott, Fire Officers' Association, Employee Representative
Sandra Williams, Fire Brigades Union, Employee Representative
Alwen Davies, Members' Liaison Officer, Minute Taker

APOLOGIES

Cllr Brian Dunn, Employer Representative
Richard Fairhead, ACFO, Association of Fire Principal Officers
Shane Price, Fire Brigades Union, Employee Representative

The DCFO apologised to members that the Service internet was down and therefore the agenda item on conflict of interest module would have to be deferred until the next meeting. Also, the Head of Finance had intended to show members the Dyfed pension fund website, and again this would not be possible. However, members were invited to visit the site for further information

<http://www.dyfedpensionfund.org.uk/Pages/default.aspx>

1 DECLARATIONS OF INTEREST

1.1 None.

2 MINUTES OF THE LAST MEETING

2.1 The minutes of the meeting held on 20 April were approved as a correct record.

3 MATTERS ARISING

3.1 The following matters were noted:

3.2 (4) Following Mike Hough's recent retirement, Geraint Hughes was now one of the employee representatives from the Fire Officers' Association.

3.3 (7) The policy on employer's discretions around continued professional development and the right to pay back employer's contributions had been approved at the June 2015 meeting of the Fire and Rescue Authority.

4 ITEMS OF NOTE

- 4.1 Following the DCFO's attendance at recent all-Wales pension meetings, members were asked to note the following:
- 4.2 An electronic training needs analysis will be set up for each member and will enable a full training record to be maintained for each member of the local pension board.
- 4.3 Following discussion at a meeting about whether the local pension board meetings should be open to the public, the advice received was that it should be a closed meeting.
- 4.4 The DCFO had attended a training event on 4th November. The presentation had been emailed to all members and the DCFO drew members' attention specifically to some of the information as follows:
- Governance is considered essential in light of increased schemes and their complexity and the reduced level of resource. The introduction of reforms and some complex cases have led to substantial amendments to pension matters. Local pension boards will ensure governance but it is acknowledged that it is for each local pension board to interpret the guidelines therefore there will be some slight variations between FRAs.
 - Longevity issue was highlighted and the number of people who are predicted to live to the age of 100 and beyond.
 - More reform to come? UK Government has given a 25 year promise, however, there are many issues such as cost pressures, social changes and possibly more tax changes that could mean more pension reforms.
 - What does a good board look like? This slide highlighted the importance of establishing clear lines of communications, clear roles and responsibilities, good level of knowledge, understanding and being efficient and effective.
- 4.5 On 27 November, the Chair and DCFO had attended a meeting of the firefighters' pension advisory board for Wales. Governance arrangements had been discussed and rather than voting on issues, it was agreed that each member of the advisory board would give his or her point of view which would be reported to the Minister.

5 CONFLICTS OF INTEREST POLICY

- 5.1 The DCFO introduced the report which asked members to consider adopting a conflict of interests policy to ensure transparency.
- 5.2 Members discussed the policy and suggested that it would be useful to have a register of interests and legal advice on the type of interests that should be declared and recorded.

5.3 Councillor J R Skelland asked about possible conflict of interest issues with local authority contributions to the FRA. However, the Treasurer confirmed that the councillors on the local pension board are effectively trustees and that it is in the terms of reference that they are unable to vote on any pension issues that arise in FRA meetings. Members of the Authority and members of staff on the local pension board were all reminded that they have a duty to act in the best interest of all members of all different pension schemes and that they need to consider the wider perspective when discussing pension issues. It had been highlighted at a recent all-Wales meeting that being a member of the scheme is not a conflict of interest.

5.4 **RESOLVED to adopt the conflict of interests policy and publish it on the NWFRA website.**

6 COMMUNICATION

6.1 The Head of Finance delivered a presentation focusing on communication. The key objective of the presentation was to ensure that members have the necessary knowledge to assess the effectiveness of the Scheme Manager's (FRA) pension communications. Local pension boards face three challenges which are around governance, administration and communication; in time, members will receive training on all of these elements.

6.2 Communications on pensions are delivered nationally via various legislation, guides, circulars and bulletins. NWFRS disseminates information to staff via website, leaflets, newsletters, seminars, annual benefits statements and staff are able to access My Pensions Online calculator. Copies of such communications were shared with members at the meeting.

6.3 NWFRA, as a Scheme Manager, is legally required to issue an annual benefit statement to all staff. The statement is distributed either as a hardcopy delivered to the member's home address or posted electronically within the 'my pensions' online facility; information includes present value of benefits and death in service benefits. For individuals within the FPS92 scheme or protected 07 scheme they are also provided with benefits payable at normal retirement age. However, due to 2015 reforms and moving to a CARE scheme this section is not provided for unprotected or taper relief members.

6.4 The presentation also included a brief introduction to Annual Allowances. The annual allowance looks at a member's pension pot value at the start of the year and obtains figure/value at the end of the year; if the increase in overall pot value exceeds the annual allowance limit then the excess is taxable. The DCFO noted that this may apply to some firefighters who are in their last few years of service; the employee may apply to the FRA to pay the excess tax charge which is repaid when the employee retires. **It was noted that a discretionary policy needs to be presented to the full FRA for agreement on this issue.**

- 6.5 It was noted that effective communication with scheme stakeholders is an essential part of delivering a good quality pension scheme. LPB members need to be satisfied that NWFRA is effectively communicating with members on pensions, ensuring that the communication channels are clear, helpful and relevant and that scheme members are provided with the information needed throughout their membership in the scheme to plan for retirement.
- 6.6 It is important that deferred members and those who resign are reminded that it is their responsibility to maintain contact with the pension fund and that they update contact details as and when necessary.
- 6.7 At the next meeting, members will receive information on the number of employees in the various pension schemes. Members were also advised to visit the Dyfed Pension Fund website.