

**Minutes of the meeting of the Local Pension Board held on 30 April 2018 at
Fire and Rescue Headquarters, St Asaph Business Park**

PRESENT

Richard Fairhead, Assistant Chief Fire Officer, Association of Principal Fire Officers,
Employee Representative (Chair)

Cllr Bryan Apsley, Employer Representative

Julie Brown, Head of Finance, Advisor

Parry Davies, Fire Brigades Union, Employee Representative

Geraint Hughes, Fire Officers' Association, Employee Representative

Cllr John Brynmor Hughes, Employer Representative

Helen MacArthur, Assistant Chief Officer, Advisor

Shân Morris, Assistant Chief Officer, Observer

Paul Scott, Fire Officers' Association, Employee Representative

Alwen Davies, Members' Liaison Officer, Minute Taker

APOLOGIES

Cllr J Rodney Skelland, Employer Representative

Ruth Simmons, ACFO, Association of Principal Fire Officers, Employee Representative

Blythe Roberts, Fire Brigades Union, Employee Representative

1 DECLARATIONS OF INTEREST

- 1.1 In relation to the discussion at the last meeting about the pension seminar being held three years in advance of retirement age, Parry Davies declared that he would have an interest in this. He also commented that the commutation increasing from 2.5 to 25 would be potentially of interest to him.

2 MINUTES OF THE LAST MEETING AND MATTERS ARISING

- 2.1 The minutes of the meeting held on 11 January 2018 were approved as a correct record. Matters arising were as follows:
- 2.2 5.3 – it was noted that the timing of a seminar for potential retirees would be a decision for the Service not the Local Pension Board.
- 2.3 9.1 – progress from WG on revaluation – there had been no further progress since the last meeting.

3 TERMS OF REFERENCE

- 3.1 ACO MacArthur presented the revised terms of reference to members for approval. The amendments were as follows:
- At the last meeting, members had agreed to hold three meetings rather than two of the LPB every year.

- Overall membership of the group amended to reflect that membership of the Local Pension Board should be no fewer than six members (in total), with an equal number of employer and employee representatives.
 - Papers for the meeting will be circulated three working days in advance of the meeting.
- 3.2 Parry Davies commented that the terms of reference referred to NWFRAs and NWFRS as being the administering authority and it was agreed that this would be clarified and amended prior to publication.
- 3.3 Parry Davies also stated that paragraph 17 of the terms of reference required further clarification and HM confirmed that she would take this as an action, prior to publication of the revised terms of reference.
- 3.4 **RESOLVED to agree the revised terms of reference for 2018-19, subject to the above matters being clarified prior to publication on the Authority's website.**

4 THE FIREFIGHTERS' PENSION SCHEMES UPDATE

- 4.1 The report was presented to provide members with an update on current issues relating to the Firefighters' Pension Scheme including:
- One complaint currently being dealt with by the Pensions Ombudsman with no information on the expected resolution date.
 - Firefighters' Pension Scheme 1992 – Additional Pension Benefits – this had been agreed at the March 2018 Authority meeting. It was agreed that RF and HM would discuss the start date with the representative unions.
 - Norman vs Cheshire – a paid legal team is currently deciding on the guidelines of what elements should be pensionable and non-pensionable; the issue is being considered on an all-Wales basis; Parry Davies commented that an early resolution would be welcome by FBU membership, however, acknowledged that as it is being dealt with on an all-Wales basis and also affects all of England FRs it would be prudent to move forward at the same pace as other FRs; it was noted that the issue will be discussed at the Scheme Advisory Board meeting in July.
 - Firefighters' Discretionary Policy – following the introduction of a new pension scheme in 2015, the current NWFRAs discretions had been reviewed and these had been circulated to members together with the appropriate policy determination as recommended to the Fire and Rescue Authority. Members were invited to comment on the discretions prior to them being submitted to the NWFRAs for approval

at its June meeting. Parry Davies commented that it would be useful for members to know about the discretions that are being agreed locally. It was confirmed that following the NWFRA meeting, they may be published on the LPB page.

4.2 **RESOLVED to:**

- (i) **note the information in the report;**
- (ii) **agree that ACFO Fairhead and ACO MacArthur would discuss the start date of the additional pension benefits with the representative unions.**

5 TRAINING MODULE – RESOLVING INTERNAL DISPUTES

5.1 The Head of Finance led members through the maintaining member contributions module and thereafter the assessment was successfully completed.

5.2 The learning objectives were:

- the importance of an internal dispute resolution procedure (IDRP)
- the legal requirements for resolving disputes
- which disputes are exempt
- how to set up an IDRP
- the time limits for submitting an application and making a decision.

6 PRESENTATION ON THE REQUIREMENTS OF THE GENERAL DATA PROTECTION REGULATION

6.1 Brian Mottershead, Support Services Coordinator with responsibility for data protection issues, gave members a presentation on the requirements of the GDPR.

6.2 GDPR will be implemented on 25 May 2018; some of the key points noted were that it updates existing legislation on data protection, enhances rights for data subjects, increases accountability and transparency and there are bigger sanctions for breaching the legislation. The Support Services Coordinator explained the requirements on NWFRA and that all staff had received information on the implications of the legislation.

6.3 **RESOLVED to note the information and the implications in terms of personnel data and sensitive information potentially discussed at meetings.**

7 RISK REGISTER

- 7.1 ACO MacArthur presented the risk register to members. it was noted that the format of the register was consistent with the one issued by the Pensions Regulator. Members acknowledged that not all risks could be eradicated and therefore the Authority was managing risks as well as possible.
- 7.2 Following on from the GDPR presentation, GDPR will be added as a risk to the register. Members agreed that it would be helpful to have a residual risk column added to the register.
- 7.3 **RESOLVED to agree to amend the format of the register to show the risk before and after mitigation and re-present to the LPB at the next meeting.**

8 PENSIONS TAX AWARENESS AND VOLUNTARY SCHEME PAYS POLICY

- 8.1 The report was presented to inform members about the Pension Tax arrangements in relation to an Annual Allowance Limit as it applies to the Firefighters' Pension Schemes.
- 8.2 Members noted that employees with annual pensions savings growth in excess of their annual allowance (currently £40,000) will incur a tax liability. The Finance Act 2004 requires employees to put arrangements in place which allow for the tax liability to be deferred by the individual if certain criteria are met (known as Mandatory Scheme Pays). Under such circumstances the tax is initially paid by the Pension Fund and recouped from the employee through reduced pension benefits.
- 8.3 It was also noted that the Pension Schemes may also put in place additional measures which go above and beyond the mandatory arrangements (known as Voluntary Scheme Pays). The report submitted to members outlined the arrangements for both the Pension Tax arrangements in relation to an Annual Allowance Limit as it applied to the Firefighters' Pension Schemes and detailed changes to these arrangements that require the Fire and Rescue Authority to consider whether a Voluntary Scheme Pays policy should be introduced for affected individuals.
- 8.4 **RESOLVED to**
- (i) note the content of the report submitted and the accompanying draft Voluntary Scheme Pays Policy; and**
 - (ii) recommend to the Fire and Rescue Authority the introduction of a Voluntary Scheme Pays Policy.**

9 FIREFIGHTERS PENSION SCHEMES LOCAL PENSION BOARD – ANNUAL REPORT 2017/18

9.1 The draft annual report of the Local Pension Board which details the work of the board during the last financial year was presented to members prior to its submission to the FRA meeting in in June 2018.

9.2 **RESOLVED to recommend the annual report to the Fire and Rescue Authority in June 2018 for approval.**

10 SCHEME ADVISORY BOARD UPDATE

10.1 Members were provided with a verbal update about the Scheme Advisory Board meeting held on 20 March 2018.

10.2 Some of the issues discussed were as follows:

- GAD 2016 Valuation - it was noted that GAD was unable to confirm when the final valuation report would be made available. It was likely that the Scheme Advisory Board Wales would be required to meet between May and October to discuss the valuation results.
- Updates from Local Pension Boards – a standard agenda item and is considered beneficial as it enables all FRAs in Wales to work collaboratively on issues, with the aim of having a consistent approach to pension exercise/projects by using the same communication material.
- Firefighters' Pension Scheme Amendments – the Welsh Government's consultation on two orders relating to survivor benefits on remarriage and the 2015 scheme amendments had closed in December 2017, members noted the following in relation to survivor benefits:
 - ***Surviving partners (of firefighters who died as a result of injury while on duty) entitlement to death benefit on re-marriage - Amendments to the 1992 pension scheme and the 2007 compensation scheme.***

The consultation had provided four options regarding retention of survivors' benefits on remarriage or forming new civil partnerships, including varying levels of retrospection. Welsh Government had identified their preferred option which was to remove the rule which removed benefits on remarriage from 1 April 2015 and to reinstate benefits for those that had already lost them from that date.

- ***Brewster (to remove the requirement for scheme members to nominate a cohabiting partner to receive survivor benefits) – Amendment to the 2007 pension scheme***

10.3 Having heard the amendment noted above, Cllr J B Hughes raised an issue that he may need to declare an interest, the Chair confirmed that he will make enquiries and note it in the minutes if required.

10.4 **RESOLVED to note the update.**

11 NEXT MEETING

11.1 The next meeting will be held on Monday 10 September at 10am.