

**Minutes of the meeting of the Local Pension Board held on
13 January 2020 at Fire and Rescue Headquarters, St Asaph**

PRESENT

Employer Representatives:

Cllr Bryan Apsley (Chair)

Gareth Owens, Deputy Clerk

Employee Representatives:

Richard Fairhead, Fire Leaders Association - Prospect, Employee Representative

Duncan Stewart-Ball, Fire Brigades Union

Jane Honey, Fire Officers' Association

Blythe Roberts, Fire Brigades Union

Advisors

Helen MacArthur, Assistant Chief Officer

Julie Brown, Pensions Manager

Minute Taker

Alwen Davies, Members' Liaison Officer

APOLOGIES

Ken Finch, Treasurer; Bob Mason, Fire Officers' Association.

1 DECLARATIONS OF INTEREST

1.1 None.

2 MINUTES OF THE LAST MEETING

2.1 The minutes of the meeting held on 7 October 2019 were approved as a correct record.

3 FIREFIGHTERS PENSION SCHEMES – UPDATE REPORT

3.1 The Pensions Manager presented the report which informed members about the scheme membership, together with updates on:

- the All Wales Firefighters' Pension Group and North West Regional Fire Pension Officers Group
- tax seminar update
- cyber security
- the Pensions Regulator's annual return and annual survey
- pension clinics
- overview of FPS bulletins and circulars.

- 3.2 In terms of cyber security, it was noted that the cyber risk can be broadly defined as the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its information technology systems or processes. It includes risks to information (data security) and internal risks (e.g. from staff) and external risks (e.g. hackers). The Authority has taken steps to build cyber resilience and worked with all relevant parties to define our approach to managing this risk. Sufficient controls are in place to minimise the risk of cyber incident, around systems, processes and people. It was also noted that business continuity plans are in place to enable the scheme to swiftly and safely resume operations in the event of an incident.
- 3.3 My Pension Online – it was noted that the number of members who have registered on this system is still low despite several promotional campaigns to encourage members to look at their pension online. Blythe Roberts and Duncan Stewart-Ball confirmed that they will keep reminding members of the importance of registering on the system.
- 3.4 **RESOLVED to note the report.**
- 4 DYFED PENSION FUND (DPF) UPDATE (SCHEME ADMINISTRATOR)
- 4.1 The report was presented to update members on the administration of the schemes by Dyfed Pension Fund.
- 4.2 The report presented provided assurance that the scheme is being properly administered and gave updates on:
- regulatory update
 - cyber security
 - e-communication
 - GMP reconciliation
 - data quality reports
 - appeals
 - breaches
 - my pensions online
 - workflow.
- 4.3 Members were given an update on the latest developments following the Court of Appeal judgement in the McCloud and Sergeant cases in respect of the transitional protections in the 2015 scheme that were unlawfully discriminatory on grounds of age. It was noted that it is anticipated that a consultation on the proposed resolution will take place next financial year.
- 4.4 **RESOLVED to note the information provided.**

5 CYBER SECURITY TRAINING SESSION

- 5.1 In response to a request from members at a previous meeting, [REDACTED] from the ICT department delivered a presentation on the work being undertaken to endeavour to protect the organisation from cybercrime.
- 5.2 The ICT department use a variety of practices in order to achieve protection for the organisation. These include deploying the latest Antivirus Solution (McAfee); encouraging strong passwords; ensuring all software is updated and monitoring and filtering all incoming e-mails.
- 5.3 Members were informed of the Cyber Essentials scheme which is a Government-backed and industry-supported scheme to help organisations protect themselves against common online threats. In order to obtain certification, NWFRS has submitted answers to questions, which are based on organisational security, policies and procedures. Following the outcome of the questionnaire, NWFRS will be focusing on key areas.
- 5.4 The Chair thanked [REDACTED] for the informative presentation and it was **RESOLVED to note the information provided.**

6 KNOWLEDGE AND TRAINING NEEDS ANALYSIS

- 6.1 The Pensions Manager presented the report which informed members about the annual knowledge and training needs analysis form which needs to be completed and returned to her by 1 March of every year.
- 6.2 It was noted that the Pensions Regulator (TPR) has a statutory duty for regulatory oversight under the Public Service Pensions Act 2013 and monitors six key processes as part of its annual governance and administration survey. These key processes are used as an indication of public service pension scheme performance.
- 6.3 One of the key processes is the ability to assess knowledge, understanding and skills needed to properly run the Local Pension Scheme. The Local Pension Board must have a robust plan in place to ensure that regular evaluation takes place of the skills needed to run the scheme efficiently. Members were therefore asked to complete the form and return it to the Pensions Manager by 1 March 2020 in order to satisfy the requirement under the Public Service Pensions Act 2013.
- 6.4 **RESOLVED to note the content of the knowledge and training needs analysis form.**

7 SPLIT PENSIONS TRAINING SESSION

- 7.1 The Pensions Manager delivered a training session on split pensions.
- 7.2 Members were informed that a split pension, also known as the two pensions rule, may apply if a pension member has had a reduction in their pensionable pay. The rule applies to 1992 and 2007 scheme members. Regulations protect members who may have a reduction in salary either due to a change in role or have a reduction in an element of pensionable pay earlier in their career. The calculation is worked out at the time of retirement.
- 7.3 The Chair thanked the Pensions Manager for the presentation and it was **RESOLVED to note the information provided.**

8 LEGAL CHALLENGE TO TRANSITIONAL PROTECTION

- 8.1 Members were given an update on the current position regarding the legal challenge to the transitional protection to members of the 1992 Firefighters Pension Scheme following introduction of the 2015 Firefighters Pension Scheme.
- 8.2 Members were reminded that in December 2018 the Court of Appeal found that the transitional protections provided to members of the 1992 Firefighters Pension Scheme unlawfully discriminated on age and the case was returned to the Employment Tribunal for it to determine remedy. In December 2019, an interim order was established which binds the parties until July 2020 as this is when the Order anticipates that the final remedy should be resolved. However, it should be noted that even when there is a final determination it may be some time before the remedy can be put into effect.
- 8.3 Following this case, where an application is received for an ill-health retirement the applicant now needs to be assessed under both the 1992 and 2015 rules. An initial review of the ill-health retirements since the introduction of the 2015 scheme has not identified any that require further investigation.
- 8.4 **RESOLVED to note the content of the report.**

9 SCHEME ADVISORY BOARD – VERBAL UPDATE

- 9.1 Cllr Apsley, ACFO Fairhead and ACO MacArthur attended the last meeting of the Scheme Advisory Board on 31 October. Issues discussed included the High Court legal judgement; LGA update and the reasons why people choose to opt out of joining the pension scheme. The Board also looked at the three FRAs' terms of reference and it was pleasing to note that North Wales FRA's version was comprehensive and did not require amendment.

10 RISK REGISTER – RISK AREA 2 FINANCIAL

- 10.1 Members were reminded that the Pensions Regulator recommends that Local Pension Board members consider and review their Risk Register during each Board meeting. It had previously been agreed to undertake a rolling review of particular risk areas during future meetings and therefore the financial risk area was presented at this meeting for consideration.
- 10.2 One risk had recently been added to the financial risk register - the McCloud and Sargeant court of appeal determination about age discrimination. This will be monitored and an update provided at the next meeting.
- 10.3 **RESOLVED to note the Financial Risk Area of the Register for 2019-20, and that any changes or updates will be incorporated into the register and the revised document published on the Authority's website.**

11 CONFLICT OF INTEREST POLICY

- 11.1 The report presented the revised conflict of interest policy for members' approval.
- 11.2 Members were aware that each administering authority is required to have a process in place that enables Local Pension Board members to identify, monitor and manage any conflicts of interest, including potential conflicts. The management of conflicts of interest is key to good scheme governance.
- 11.3 It was noted that the process should include the following controls:
- agreeing a conflicts policy setting out the LPB's approach to dealing with conflicts – this should cover the process to identify and monitor conflicts and outline options for managing these
 - register of interests for recording all actual or potential conflicts

- declarations when LPB members are appointed and ongoing declarations as soon as they arise, and declarations at the start of LPB meetings
- advance planning to identify conflicts that may occur in the future and available options for managing these.

11.4 **RESOLVED to formally adopt the revised conflict of interest policy and publish it on the Authority's website.**

12 MATTERS TO BE REFERRED TO THE FULL FRA

12.1 It was agreed to refer the conflict of interest policy to the full FRA and also an update on the legal challenge McCloud and Sargeant.

13 ANY OTHER BUSINESS

13.1 None.