

**Minutes of the meeting of the Local Pension Board held on 7 April 2017 at
Fire and Rescue Headquarters, St Asaph Business Park**

PRESENT

Cllr Delyth Macrae, Employer Representative
Cllr J Rodney Skelland, Employer Representative
Dawn Docx, Deputy Chief Fire Officer, Advisor
Julie Brown, Head of Finance, Advisor
Richard Fairhead, ACFO, Association of Principal Fire Officers, Employee Representative
Gary Brandrick, ACFO, Association of Principal Fire Officers, Employee Representative
Paul Scott, Fire Officers' Association, Employee Representative
Parry Davies, Fire Brigades Union, Employee Representative
Alwen Davies, Members' Liaison Officer, Minute Taker

APOLOGIES

Cllr Brian Dunn, Employer Representative
Cllr W T Owen, Employer Representative
Geraint Hughes, Fire Officers' Association, Employee Representative
Blythe Roberts, Fire Brigades Union, Employee Representative
Colin Everett, Clerk to the Authority
Ken Finch, Treasurer to the Authority

Due to the Chair's (Cllr W T Owen) absence, the DCFO commenced the meeting at 10.08am.

1 DECLARATIONS OF INTEREST

1.1 None.

2 APPOINTMENT OF CHAIR

2.1 In accordance with the terms of reference, the chair of the board is to be rotated every two years between a member representing employers and those representing scheme members. Therefore DCFO thanked Cllr W T Owen for chairing the meetings over the past two years including his attendance at the all-Wales Scheme Advisory Board meetings and this was reiterated by other members.

2.2 The DCFO then requested nominations for the role of Chair. ACFO Brandrick nominated ACFO Fairhead and this was seconded by P Scott. There were no other nominations and it was unanimously decided to appoint ACFO Fairhead.

At this point ACFO Fairhead took over the chairing of the meeting.

3 MINUTES OF THE LAST MEETING

3.1 The minutes of the meeting held on 8 November 2016 were approved as a correct record and there were no matters arising.

4 LOCAL PENSION BOARD ANNUAL REPORT 2016-17

4.1 The DCFO presented the draft Local Pension Board annual report which details the work of the board during the last financial year.

4.2 As set in the terms of reference for the Local Pension Board, the annual report includes:

- a summary of the work of the Local Pension Board and a work plan for the coming year
- details of areas of concern reported to or raised by the Board and recommendations made
- details of any conflicts of interest that have arisen in respect of individual Local Pension Board members and how these have been managed
- any areas of risk or concern the Board wish to raise with the Scheme Manager
- details of training received and identified training needs
- details of any expenses and costs incurred by the Local Pension Board and any anticipated expenses for the forthcoming year.

4.3 **RESOLVED to agree the annual report for 2016/17 for presentation to the Fire and Rescue Authority in June 2017.**

5 REPORTING BREACHES OF LAW (TPR MODULE) AND APPROVAL OF BREACHES OF LAW POLICY

5.1 The Head of Finance led members through the reporting breaches of law module and thereafter the assessment was successfully completed. Members were also asked to consider and approve the NWFRS' policy and procedure for reporting breaches of the law to the Pensions Regulator.

5.2 The learning objectives of the module included who must report breaches of the law, the legal requirements for reporting breaches of the law, how to judge whether a breach must be reported, how to submit a report, the importance of adequate procedures and how to use the regulator's traffic light framework to help decide whether to report a breach.

5.3 It was noted that:

- red or amber categorised breaches that would be reported to the Local Pension Board, whereas the green breaches would be dealt with in-house and noted.
- employees cannot directly report a breach to the pension regulator it must be done via the scheme manager, employer representative or employee representative.

5.4 **RESOLVED to**

- (i) **note the training module on breaches of law;**
- (ii) **approve the NWFRS' policy and procedure for reporting breaches of the law to the Pensions Regulator.**

6 TRAINING MODULE ACCURATE MEMBER DATA (TPR MODULE)

- 6.1 The Head of Finance led members through the accurate member data module and thereafter the assessment was successfully completed. It was acknowledged that this area of training and work was of great importance as having inaccurate member data could lead to breaches.
- 6.2 It was noted that member data, in some cases, would need to be retained for a considerable number of years approximately 90 years as payments could continue following the pension member's death; it was therefore considered that it should be linked in and referred to in the Service's policy on data protection and retention.
- 6.3 All pension members will shortly be able to access their own pension information via online facilities; via the online facility members will also be able to change their personal details and access their annual benefits statement published in August of each year. It was recommended that this continue to be promoted in the Weekly Brief on a regular basis to remind staff to update and check their own information as necessary.
- 6.4 **RESOLVED to:**
(i) note the training module on accurate member data;
(ii) agree that the online facilities be promoted via the Weekly Brief.

7 SUMMARY OF INTERNAL AUDIT REPORT ON PENSIONS DATA QUALITY

- 7.1 The report was presented to provide an overview of the outcome of an internal audit undertaken in May 2016 to review data quality of within NWFRS in order to provide a level of assurance to management that internal controls are operating effectively, that potential risks are well managed and corporate objectives are being achieved. Also, the report provided assurance to Local Pension Board members that internal controls are in place to address pension data issues which were highlighted during the internal audit.
- 7.2 The audit findings demonstrated that key controls are in place to ensure the achievement of objectives and to protect against significant foreseeable risks and are applied consistently and effectively resulting in a Satisfactory assurance rating. Recommendations had been made and the implementation of these will improve the internal controls in operation and give management the assurance that robust systems are in place and appropriate measures have been taken to mitigate the risks identified.
- 7.3 The issue of auto-enrolment was discussed; it was highlighted that those choosing to opt out would be re-invited to join the scheme three years later. There were also other trigger points, such as changing jobs, which would give them the opportunity to enrol in the pension scheme.
- 7.4 **RESOLVED to note the information within the report.**

8 SUMMARY REPORT COVERING THE FINANCIAL ARRANGEMENTS FOR FIREFIGHTER PENSIONS – TOP-UP GRANT

8.1 The report was presented to provide an overview of the financial arrangements in place to cover pension contributions and payments.

8.2 Members were aware that fire and rescue authorities administer and pay firefighters' pensions, as well as any future pensions for new entrants from a separate local firefighters' pension fund. Employee contributions and employer's contributions are paid into the pension fund from which pension payments are made. The employer also pays a set percentage which is reviewed every three years by the Government Actuary Department; the next review is due this year and the outcome will impact payments from 2019. As previously noted, the fund is topped up by a Welsh Government grant if the contributions are insufficient to meet the cost of pension payments with any surplus in the fund being recouped by the Welsh Government. It is anticipated that the Welsh Government will review this arrangement in the near future.

8.3 Employee representatives commented that many 1992 scheme members are now considering leaving the Service earlier than anticipated; the Chair confirmed that senior officers are aware of this issue and that it is being factored into succession planning discussions. The DCFO confirmed that this matter had also been discussed by the Scheme Advisory Board and that it was not considered to be a significant issue as individuals leaving earlier meant that their lump sum payments and pension payments thereafter would be lower.

8.4 At the next meeting, members will receive a summary of the various pension funds.

8.5 **RESOLVED to note the information within the report.**

9 UPDATE FROM THE SCHEME ADVISORY BOARD

9.1 The all-Wales Scheme Advisory Board had received a presentation from its counterpart in England; the English Fire Advisory Board has provided funding to its Scheme Advisory Board to set up specialised resources including legal assistance and the creation of a website to assist the FRAs in undertaking their duties in relation to pensions. Having discussed this, representatives from the three FRAs in Wales had agreed to contribute £14k towards the work in order to have access to the specialised resource.

9.2 It was noted that an all-Wales training course on pensions will be held after the elections for new and returning members to attend.

9.3 The Board had been notified of various pension-related legislation that had been published and due to be published.

10 AOB

- 10.1 The Head of Finance informed members that following a Supreme Court ruling, a circular had been published on Firefighters' Pension Scheme 2007: nomination of cohabiting partners. In the case of Brewster (Northern Ireland), it was declared that the Northern Ireland local government pension scheme had unlawfully denied a cohabiting partner (otherwise eligible under Scheme Regulations) a survivor's pension solely because a nomination form had not been completed. New guidance had now been issued on how to deal with this matter.

- 10.2 Parry Davies asked about the Norman v Cheshire case. The DCFO explained that there was an all-Wales agreement with the FBU and that it was a matter that will take time to resolve. However, there is no time limit and scheme members will be paid once a consensus has been reached on what aspects of pay will be pensionable. It was agreed that the Head of Finance and Parry Davies would discuss the matter in a separate meeting.