

**Minutes of the meeting of the Local Pension Board held on 2 May 2019 at
Fire and Rescue Headquarters, St Asaph Business Park**

PRESENT

Richard Fairhead, Fire Leaders Association - Prospect, Employee Representative
(Chair)

Blythe Roberts, Fire Brigades Union, Employee Representative

Cllr Bryan Apsley, Employer Representative

Gareth Owens, Deputy Monitoring Officer, Employer Representative

Helen MacArthur, ACO, Advisor

Julie Brown, Pensions Manager, Advisor

APOLOGIES

Alwen Davies, Members' Liaison Officer, Minute Taker

Duncan Stewart-Ball, Fire Brigades Union, Employee Representative

Jane Honey, Fire Officers' Association, Employee Representative

Geraint Hughes, Fire Officers' Association, Employee Representative

Ruth Simmons, ACFO, Employee Representative

Ken Finch, Treasurer, Employer Representative

Cllr J Rodney Skelland, Employer Representative

Cllr John Brynmor Hughes, Employer Representative

OBSERVER

Matthew Georgiou, Flintshire CBC

1 ELECT CHAIR (EMPLOYER REPRESENTATIVE)

1.1 Due to the attendance level, agenda item 2 was deferred until the July meeting.

2 DECLARATIONS OF INTEREST

2.1 None.

3 MINUTES OF THE LAST MEETING

3.1 The minutes of the meeting held on 18 February 2019 were approved as a correct record. From the action points, four Local Pension Board (LPB) meetings are scheduled for 2019/20 and the administrators Dyfed Pension Fund (DPF) will attend the October 2019 meeting.

4 REVIEW AND APPROVE TERMS OF REFERENCE

4.1 As part of the annual LPB requirements recommended by the Pension's Regulator (tPR), the Terms of Reference were reviewed and approved by the Board. Members were asked to note the knowledge and skills expected and the new requirement to complete tPR training modules

within 6 months of joining the Board. This training is to be supplemented by a training plan discussed and agreed under agenda item 10.

3.2 **RESOLVED to: note the report;**

- (i) approve the revised Terms of Reference;**
- (ii) agree to the training requirements.**

4 FIREFIGHTERS PENSION SCHEMES – UPDATE REPORT

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

- All Wales Firefighters' Pension Group
- Pension Transitional Protection Legal Challenge
- Government Actuary Department (GAD) – Firefighter Pensions' (FFPS) Valuation and Cost Cap
- High Court Ruling on Firefighters' pensionable Pay
- Internal Dispute Resolution Procedure (IDRP) – complaints received
- Additional Pension Benefits
- Amendment Order 2019 – Walker Judgement
- FFPS bulletins and circulars update.

4.2 It was recommended and noted that future activity reports would be presented in a different format, providing reconciliation between old figures supplied by DPF and new figures. The issue around the opt out process was raised with Board members requesting that personnel files are checked to confirm that Wholetime employees who are not in the FFPS have completed opt-out election forms on record. This matter will be progressed by ACFO Fairhead.

4.3 The Sargeant v London Fire and Emergency Planning Authority (and others) court of appeal was discussed. The Court of Appeal ruled that the transitional protection offered to some members as part of the implementation of career average schemes constituted unlawful age discrimination. The Government is now seeking leave to appeal this decision to the Supreme Court. If an appeal is granted the timescales will be determined by the court system. If no appeal then the case will go to the Employment Tribunal for remedy (12 month timescale).

4.4 The issue around pensionable pay components and the complexity of underlying contracts was discussed by the Board. Following the High Court ruling relating to the treatment of training and day crewing allowances (MWWFRS case), the Board agreed that, pending receipt of guidance currently being compiled by the LGA the issue is to remain on future LPB agendas.

- 4.5 It was agreed that if the LGA is not able to provide guidance that brings this matter to a conclusion then a future action would be to consider a local resolution. This may include an employee and employer joint instruction of counsel It was agreed that this matter would be retained as an ongoing agenda item.
- 4.6 Members were also asked to note:
- The dates for future training events to be held by the Local Government Association (LGA) in June;
 - Members to consider what training they would require when electing for the annual training provided by the LGA to all LPBs;
 - The Fire Communications Group are currently working on the provision of forms and guidance for ill health retirements, once produced training will be provided to the Board;
 - That the performance standards held within the current Service Level Agreement with DPF will be reviewed by the Board to ensure full responsibilities and assurances achieved;
 - A query has been raised with the LGA Technical Group regarding the calculations applied in abatement cases.
- 4.7 Future meetings to include a standard agenda item to identify and raise any formal matters that need escalating to the Fire and Rescue Authority (FRA).
- 4.8 **RESOLVED to:**
- (iii) note the report;**
 - (iv) inclusion of standard agenda item relating to formal matters that require escalation to the FRA;**
 - (v) check personnel files to ensure opt out forms held.**
- 5 ANNUAL REPORT 18-19
- 5.1 ACO MacArthur presented the report. As set in the Terms of Reference for the Local Pension Board, the annual report should include:
- A summary of the work of the 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.

5.2 The Annual Report includes a section on reporting Breaches of the Law to the Pensions Regulator. The residual question regarding the late application of Rule B5C as a potential breach was discussed. On the basis of the following facts, the issue was deemed to be immaterial:

- Historical issue which predated the LPB and has been fully corrected;
- Minimal impact - financially affected two individuals;
- Numerous channels to ensure all future regulatory changes are implemented – attendance at Regional and All Wales pension groups, Scheme Advisory Board and the regular updates from the administrators DPF.

5.3 The forward work programme 2019-20 was discussed; it was suggested that the consultation covering the government's exit cap for public sector bodies is included.

5.4 **RESOLVED to:**

- (vi) note the report;**
- (vii) confirm the late application of Rule B5c as not requiring a formal report to the Pensions Regulator;**
- (viii) include the exit cap within the forward work programme and to bring the issue to the July 2019 meeting where members can consider implications and respond to the consultation accordingly;**

6 DYFED PENSION FUND (DPF) UPDATE

6.1 Julie Brown presented the report, on behalf of DPF, which gave members an update on the administration of the schemes. The report provided assurance that the scheme is being properly administered and the updates covered the following topics:

- Regulatory Update
- E-communication
- End of Year Data
- GMP reconciliation
- Data Quality Reports
- My Pensions Online
- Workflow

6.2 The issue around registration and access of the 'My Pensions Online' (MPO) facility was discussed. It was agreed that action must be taken to improve the number of pension members using the pension tool. ACFO Fairhead will take the issue forward by speaking to CFOA members; Blythe Roberts will update FBU members and a communication will be sent out in the Weekly Brief newsletter.

6.3 **RESOLVED to:**

- (ix) **note the report;**
- (x) **ensure DPF provide written confirmation that all relevant bulletin and circular requirements are complied with;**
- (xi) **take action to promote the use of MPO.**

7 SCHEME ADVISORY BOARD UPDATE

7.1 The Scheme Advisory Board (the Board) met on the 3 April 2019 and discussed a range of matters which included the 2016 GAD valuation, the ongoing issue of determining pensionable pay, membership data and also a legal case which may have implications for the Firefighters' Pension Scheme. The minutes are not yet available for circulation.

7.2 ACO MacArthur informed members that £1.1m funding towards increased employer superannuation costs had been approved for 2019/20, however, the Welsh Government gave no assurances of funding for future years.

7.3 **RESOLVED to note the information provided.**

8 TRAINING NEEDS DISCUSSION

8.1 Members requested training in the following areas:

- ill-health retirements;
- Understanding pensionable pay;
- Roles and Responsibilities of the administrators DPF;
- Any areas under question following completion of the Pensions Regulator training modules.

8.2 **RESOLVED to:**

- (xii) **agree to the training requirements and where applicable arrange appropriate training provider.**

9 AOB

9.1 No further issues were raised.