

**Minutes of the meeting of the Local Pension Board  
held on 20 January 2021 via Skype**

PRESENT

Employer Representatives:

Cllr Bryan Apsley **(Chair)**  
Cllr J B Hughes  
Cllr Simon Glyn  
Ken Finch, Treasurer  
Gareth Owens, Deputy Clerk

Employee Representatives:

Richard Fairhead, Fire Leaders Association - Prospect, Employee Representative  
Tim Lloyd, Fire Brigades Union  
Duncan Stewart-Ball, FBU  
Bob Mason, Fire Officers' Association.

Advisors

Helen MacArthur, Assistant Chief Fire Officer  
Julie Brown, Pensions Manager  
Martin Morgan Dyfed Pension Fund Deputy Pensions Manager.

Minute Taker

Alwen Davies, Members' Liaison Officer

1 APOLOGIES

Kevin Gerrard Dyfed Pension Fund Pensions Manager  
Jane Honey, Fire Officers' Association

2 DECLARATIONS OF INTEREST

2.1 None.

3 MINUTES OF THE LAST MEETING

3.1 The minutes of the meeting held on 26 October 2020 were approved as a correct record.

4 FIREFIGHTERS PENSION SCHEMES – UPDATE REPORT

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

- Horizon Scanning
- Booth Judgment
- Overview of FPS bulletins and circulars.

- 4.2 The report gave details of current members levels in the firefighters' pension schemes. Updated figures were provided during the meeting which confirmed that 77 employees are not enrolled within a firefighter pension scheme, this comprises of 15 whole-time and 62 retained employees.
- 4.3 Members were provided details of two cases that have been referred by members to the Pensions Ombudsman (PO) following the IDR process. A determination has been received in respect of one of the matters which relates to the implementation of the RDS Modified Scheme and the employee will now be permitted to join to the scheme.
- 4.4 With regards to the PO's determination Members were given assurance that officers have communicated with the individual in order to progress and resolve the matter.
- 4.5 Members received an update on a potential second options exercise (O'Brien judgement). It was noted that it may take 2-3 years before the matter is resolved and the Welsh Government issues a further amendment to the current 2007 regulations.
- 4.6 Members were provided with an update on the implementation of the local agreement relating to the Booth Judgment. It was noted that 84 employees (current and retired) were within scope of the retrospective exercise. The Service is currently assessing superannuation payments that require recovery, once the figures have been finalised and checked the Service will be writing to all relevant employees.
- 4.7 **RESOLVED to note the report.**
- 5 DYFED PENSION FUND UPDATE (SCHEME ADMINISTRATOR)
- 5.1 Mr M Morgan from Dyfed Pension Fund (DPF) led Members through the report which is presented in order to provide assurance that the scheme is being properly administered. The report contained updates on:
- Regulatory Update
  - E-communication
  - GMP reconciliation
  - Appeals
  - Breaches
  - My Pensions Online
  - Workflow.

- 5.2 Discussions are taking place with the pension's software providers to consider the Transitional remedy proposals. It is not known at this stage the extent of manual intervention needed to implement the preferred option (Deferred Choice Underpin). However, it is probable that DPF will need additional resources to meet the requirements. It was noted PF will confirm any additional information required from NWFRS once the remedy is finalised.
- 5.3 Mr Morgan confirmed that where applicable all circulars have been actioned.
- 5.4 'My Pension Online' (MPO) registration levels were discussed and Mr Morgan confirmed that they are currently progressing with the further digitisation of processes allowing members to complete and submit forms and certificates electronically through the online system.
- 5.5 The Board noted the importance of all members registering and using MPO. The Service and representing bodies will continue in their efforts to encourage more members to make use of My Pensions Online.
- 5.6 Mr Morgan confirmed that the 2020 fire valuation data had been submitted to GAD on 21/12/20.

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

**6 PENSIONABLE PAY OVERVIEW**

- 6.1 The Pensions Manager delivered a presentation which gave an overview of pensionable pay.
- 6.2 There are currently five firefighters' pension schemes in place. Pensionable pay is defined by the rules of the particular pension scheme.
- 6.3 Pensionable pay is considered important as members' benefits are calculated by reference to their pensionable pay, usually in their last year of service. As the regulations were open to interpretation, FRAs were inconsistent in the approach when classifying allowances. As a result numerous cases were brought before the High Court and Pensions Ombudsman to determine whether or not specific allowances should be treated as pensionable or not.
- 6.4 Members were provided information about various case law relating to pensionable pay issues. In addition, members were informed of all the guiding principles to be applied by FRAs when determining whether or not specific allowances should be treated as pensionable .

- 6.5 Following the recent Booth v verses Mid and West Wales FRA judgement certain principles were identified that enabled NWFRA to reconsider the treatment of certain allowances in payment. A collective agreement between NWFRA and the Fire Brigade Union was approved by the Authority in November 2019. Tables within the presentation demonstrated the differences pre and post the Booth judgement.
- 6.6 It was noted that in terms of next steps, NWFRA and the Fire Brigades Union have agreed the following:
- Training allowances paid to learning and development instructors on a permanent basis are to be treated as pensionable
  - Retaining fees paid to day crewing personnel are to be treated as pensionable pay either under final salary arrangements or as an Additional Pension Benefit as per individual circumstances.
  - Historic corrections will fall in line with the Limitations Act and pension contributions will commence 30/03/13.
- 6.7 RESOLVED to note the information and the presentation will be circulated to all Members.**

## 7 SCHEME ADVISORY BOARD

- 7.1 ACFO MacArthur informed Members that there had not been a meeting since the last LPB meeting. The next meeting will be on 4 February 2021.
- 7.2 It was confirmed that the SAB is discussing the same issues as the LPB including the transitional legal challenge. Members were asked to note that the LPB cannot progress with the transitional legal challenge as regulations are yet to be published. The other issue of note is around the GAD valuation and the data submitted, this will be discussed at the SAB meeting.
- 7.3 RESOLVED to note the report.**

## 8 RISK REGISTER – FUNDING AND GOVERNANCE

- 8.1 Members were reminded that the Pensions Regulator recommends that Local Pension Board members consider and review their Risk Register during each Board meeting.
- 8.2 ACFO MacArthur highlighted that a previous key financial risk highlighted at the LPB meeting had been the employer pension contributions for firefighters which had been increased during 2019/20 following the 2016 revaluation by the Government Actuary's Department; it had now been confirmed that the Welsh Government would provide funding of £1.086m for 2021/22. However, there was no

confirmation for financial support for 2022/23 onwards therefore it remains a long term risk.

8.3 **RESOLVED to note the funding and governance risk area of the Register for 2020-21 and that any changes or updates will be incorporated into the register and the revised document published on the Authority's website.**

9 MATTERS TO BE REFERRED TO THE FRA

9.1 The next meeting of the FRA will be on 15 March. ACFO MacArthur confirmed that the issue around funding received from Welsh Government would be included in the financial report.

9.2 It was agreed that no other issues needed to be referred to the FRA.

10 ANY OTHER BUSINESS

10.1 None.