

**North Wales Fire and
Rescue Service
Firefighters' Pension
Scheme**

**Local Pension Board
Annual Report 2017-18**

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1.0 Background

The Public Services Pensions Act 2013 requires all Public Service Pension Schemes to establish a Local Pension Board (the Board). In the case of the Firefighters' Pensions Scheme, the role of the Board is to assist the Scheme Manager (North Wales Fire and Rescue Authority): to ensure compliance with:

- the relevant regulations;
- any other legislation relating to the governance and administration of the Scheme ;
- the requirements imposed by the Regulator in relation to the Scheme and
- to ensure the effective and efficient governance and administration of the Scheme.

The Local Pension Board is expected to complement and enhance the Authority's existing arrangements for managing the scheme. It does not replace the existing arrangements and it is not a decision making body. Rather, it is designed to act as a critical friend to the Authority in its capacity of scheme manager.

The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 formalised the requirements of the Act and required the Authority to put arrangements in place by 1 April 2015 to establish a Local Pension Board. This requirement was fully complied with and the Local Pension Board held its first meeting on 20 April 2015.

2.0 Role and Remit

The role and remit of the Local Pension Board is to assist the Authority in its capacity as Scheme Manager by making sure it is administering the Firefighters' Pension Scheme effectively and efficiently and, in doing so, is complying with relevant laws and regulations. The Board does this by reviewing the policies and practices that the Authority has adopted and checking them against the applicable regulations, as well as comparing them to examples of best practice elsewhere. The Local Pension Board does not have decision making powers but can make recommendations to the Authority for consideration.

3.0 Constitution and Membership

The Local Pension Board is governed by an approved Terms of Reference which is updated regularly to ensure that it fully meets the requirements of the relevant Act and Regulations. A copy of the document is available at the following link:

<http://www.nwales-fireservice.org.uk/media/1253/local-pension-board-tofr.pdf>

In order to ensure they are fully representative, the Act requires that the membership of all Local Pension Boards must include an equal number of employer and scheme member (employee) representatives. The membership of the Local Pension Board is outlined below.

April 2015- May 2017

Employer:

Six members in total including four members of North Wales Fire and Rescue Authority, namely, Cllr Brian Dunn, Cllr Delyth Macrae, Cllr W Tudor Owen, Cllr J Rodney Skelland plus the Clerk to the Authority and Treasurer of the Authority.

Scheme Member (Employee):

Six members in total including representatives from each body officially associated with the NWFRA:

Fire Brigades Union - Shane Price and Sandra Williams;
Fire Officers' Association - Geraint Hughes and Paul Scott;
Association of Principal Fire Officers - Richard Fairhead and Ruth Simmons.

Membership of the Local Pension Board June 2017-2020

Employer:

Five members in total including three members of North Wales Fire and Rescue Authority, namely, Councillors Rodney Skelland, John Brynmor Hughes and Bryan Apsley plus the Clerk to the Authority and Treasurer of the Authority.

Scheme Member (Employee):

Five members in total including representatives from each representative body officially associated with the NWFRA:

Fire Brigades Union - Parry Davies and Blythe Roberts.
Fire Officers' Association - Geraint Hughes and Paul Scott
Association of Principal Fire Officers - Richard Fairhead

Chair of the Board

The Chairperson of the Local Pension Board will be rotated every two years between a member representing employers and those representing scheme members.

Assistant Chief Fire Officer Richard Fairhead has been elected Chair for the two years, 2017-2019. The Chair is nominated to sit on the National Firefighters' Pension Advisory Board.

The Board has met twice during the period of this annual report.

4.0 Code of Conduct and Conflicts Policy

The Authority, as Scheme Manager is required to ensure that the Local Pension Board has arrangements in place governing the conduct of its members including potential conflicts of interest.

Local Pension Board members are expected to maintain high standards of conduct in accordance with the 'seven principles of public life' (the Nolan Principles). Board members will be required to observe the members' code of conduct and data protection policies of NWFRS in fulfilment of their duties as a member.

Aside from the provisions of the Authority's Code of Conduct, members must ensure that they do not have any conflict of interests that would compromise their decision making. For the purposes of the members of the Local Pension Board, a 'conflict of interest' is defined in section 5(5) of the Public Service Pensions Act 2013 as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of a Local Pension Board (although that does not include a financial or other interest arising by virtue of that person being a member of the Firefighters' Pension Scheme). The Pensions Regulator recommended that all administering authorities put in place a Conflict of Interest Policy for the operation of their new local pension boards. The Firefighters' Pension Scheme Local Pension Board duly agreed a detail Conflicts Policy at their meeting in November 2015. A copy of the policy can be found here:

<http://www.nwales-fireservice.org.uk/media/337270/conflict-of-interest-policy-adopted-301115.pdf>

5.0 Knowledge and Understanding

In accordance with Section 248A of the Pensions Act 2004, every individual who is a member of a Local Pension Board must be conversant with:

- the rules of the Firefighters' Pension Scheme; and
- any document recording policy about the administration of the Scheme which is for the time being adopted in relation to the Fund.

Each individual must have knowledge and understanding of the law relating to pensions and such other matters as may be prescribed.

The Authority is required to make appropriate training available to Local Pension Board members to assist them in undertaking their role and where possible support all members of the Board in undertaking that training.

The Local Pension Board is required to keep appropriate records of the learning activities of individual members and the Local Pension Board as a whole. This will assist members in demonstrating their compliance, if necessary, with the legal requirement and how they have mitigated risks associated with knowledge gaps.

It is a statutory requirement to include details of the training undertaken by members of the Pension Fund Board in the Fund's Annual Report. In addition, this information may be required by other agencies such as the Pensions Regulator from time to time. A schedule detailing the training undertaken by Local Pension Board members during 2017-18 is detailed below:

Date	Training	Attendees
07/04/17	Pension's Regulator' Training Module Reporting Breaches of Law – Accurate Member Data	Employer Representatives – Cllr D Macrae; Cllr J Rodney Skelland. Advisors – D Docx, Deputy Chief Fire Officer/Interim Treasurer; J Brown, Head of Finance. Employee Representatives - R Fairhead and G Brandrick, ACFOs, Association of Fire Principal Officers; P Scott, Fire Officers' Association; P Davies, Fire Brigades Union.
11/01/18	Pension's Regulator' Training Module (new members) Managing Risk and Internal Control Accurate member data Conflicts of Interest Breaches of the Law Pension's Regulator' Training Module Maintaining Member Contributions Providing Information to Members and Others	Employer Representatives – Cllr B Apsley; Cllr J B Hughes; Cllr J Rodney Skelland. Advisor – J Brown, Head of Finance. Employee representatives: R Fairhead, ACFO, Association of Principal Fire Officers (Chair); G B Hughes and P Scott, Fire Officers' Association; P Davies and B Roberts, Fire Brigades Union.

6.0 Reporting Breaches of the Law to the Pensions Regulator Policy

In accordance with section 70 of the Pensions Act 2004, certain individuals must report to the Pensions Regulator as soon as reasonably practicable where that individual has reasonable cause to believe that:

- a duty which is relevant to the administration of the Scheme, and is imposed by or by virtue of an enactment or rule of law, has not been or is not being complied with; and
- the failure to comply is likely to be of material significance to the Regulator in the exercise of any its functions.

This obligation directly applies to each individual who is a member of the Local Pension Board. The Local Pension Board approved the policy for identifying and reporting breaches and a copy of the document can be found at:

<http://www.nwales-fireservice.org.uk/media/337949/6-nwfrs-reporting-breaches-of-the-law-to-the-pensions-regulator.pdf>

During 2017/18 no matters were raised by members of the Local Pension Board which required a referral to the Pensions Regulator.

7.0 Work Programme 2017-18

The Local Pension Board has met two times in 2017-18 on 07 April 2017 and 11 January 2018. As a statutory requirement, members of the Local Pension Board have been provided with regular legislative updates.

Board Meeting – 07 April 2017

Declaration of Interest
Agree Annual Report 2016-17
Training – (section 5 refers)
Approval of the Breaches of Law policy
Pension Data report

The minutes of each meeting are recorded and made available to the Authority. No specific issues of concern or note have been identified which require further reporting.

Board Meeting – 11 January 2018

Declaration of Interest
Training – (section 5 refers)
Update regarding key information supplied to scheme members, for example, Annual Benefit Statements and annual contribution bands; the various methods of communication were discussed
Update on Local Pension Board Documentation
Pensions Regulator governance survey
Update on the work of the Scheme Advisory Board

More detail is available in the agendas and minutes of the above Board meetings which can be accessed via following link:

<http://www.nwales-fireservice.org.uk/fire-and-rescue-authority/local-pension-board/?lang=en>

8.0 Work Programme 2018-19

The Firefighters' Pension Scheme Local Pension Board maintains a work programme which is considered at every meeting. Now that the Board has completed a number of training activities it will begin to select topics for in-depth analysis with a view to making recommendations to the Fire and Rescue Authority as and when necessary. The Work Programme for 2018-19 is as set out below:

- review of terms of reference and agreement of the annual report for 2017-18
- ongoing training sessions – resolving internal disputes, requirements of the General Data Protection Regulations, pensionable pay and associated issues
- presentations on current pension issues (as and when they arise)
- updates on the work of the Scheme Advisory Board (Wales)
- review and feedback into policy and pension documentation – voluntary scheme pays, firefighters' pension scheme discretionary policy, risk register
- annual pension surveys and consultations (if applicable).

9.0 Key Officers supporting the Local Pension Board

Deputy Chief Fire Officer – Dawn Docx
Head of Finance - Julie Brown

From 01 April 2018 the key officers supporting the Board will be:

Assistant Chief Officer (Finance and Resources) – Helen MacArthur
Head of Finance - Julie Brown