



Minutes

Local Pension Board

Date: 06 July 2018

Time: 12 noon

Venue: Fire and Rescue Headquarters, Birkenshaw

Present:	Paul Drinkwater (Scheme Member representative), Councillor Peter Harrand (Scheme Manager representative)
In Attendance:	Ian Brandwood – Chief Employment Services Officer, Claire Johnson – Technical Adviser, Dan Stacey (Technical Adviser), Clair Alcock (Firefighters' Pensions Adviser – LGA) and Claire Hey (Assistant Firefighters' Pensions Adviser, LGA)
Apologies:	Councillor T Austin (Scheme Manager representative) and Stuart Wilson (Scheme Member representative).

1 Appointment of Chair and Vice chair

RESOLVED

- a) That Paul Drinkwater, Scheme Member representative, be appointed Chair of the Local Pension Board for the 2018 – 19 year; and
- b) That Councillor Peter Harrand, Scheme Manager representative, be appointed Vice chair of the Local Pension Board for the 2018 – 19 year.

2 Membership of the Local Pension Board 2018 – 19

Members received a report which advised of the membership of the Board for 2018 – 19 as follows;

Scheme Member representatives

- Stuart Wilson
- Paul Drinkwater

Scheme Manager representatives

- Councillor Peter Harrand
- Councillor Tracey Austin

3 Urgent items

None.

4 Admission of the public

RESOLVED

That the public and press be excluded from the meeting during consideration of the item of business specified below as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this item, there would be disclosure to them of exempt information of the description specified.

AGENDA ITEM NO.	TITLE OF REPORT	MINUTE NUMBER	Description of exempt information by reference to the paragraph number in Schedule 12A of the Local Government Act 1972.
E15	Implementation of Pension Risk Register	15	Paragraph 3 – financial or business affairs

5 Declarations of interest

There were no declarations of disclosable interest in any matter under consideration at the meeting.

6 Minutes of meetings held on 12 January and 12 June 2018

RESOLVED

That the Minutes of meetings held on 12 January and 12 June 2018 be signed by the Chair as a correct record.

7 Terms of Reference – annual review

Consideration was given to a report of the Chief Legal and Governance Officer to review the Terms of Reference for the Local Pension Board which had been adopted by the West Yorkshire Fire and Rescue Authority.

It was reported that the recommendation to amend the Terms of Reference which had been made at the 12 January 2018 meeting had not been supported by the Fire Authority's Human Resources Committee.

In light of recommendations from the Local Government Association, those of the Scheme Advisory Board and The Pensions Regulator which supported two-year terms of office to ensure both continuity of and comprehensively trained Board members, Members were particularly concerned at the resolution of the Human Resources Committee.

RESOLVED

- a) That the report be noted; and
- b) That it be recognised that the current Terms of Reference allowed for additional meetings to be called by the Chair with the consent of the Board membership but that a business case be submitted to the West Yorkshire Fire and Rescue Authority to seek support for changes to the terms of office for the Board as appropriate.

8 Local Pension Board Annual Report 2017 – 18

Members considered a report of the Chief Legal and Governance Officer which advised that the Local Pension Board Annual Report 2017 – 18 had been formally submitted to the 6 July 2018 meeting of the Fire Authority's Human Resources Committee which had confirmed that the Board had acted within its Terms of Reference and in accordance with good governance principles during the 2017 – 18 municipal year.

RESOLVED

That, subject to the deletion of reference to the attendance of the Chair of the Scheme Advisory Board at the July 2017 meeting of the Local Pension Board at paragraph 4.1 of the Annual Report now submitted which had been incorporated in error, that the report be noted.

9 Local Pension Board Activity report

Members considered a report submitted by the Chief Employment Services Officer concerning performance in key areas for the period 1 December 2017 to 31 May 2018.

Members raised the following specific issue;

- pension scheme membership and the opt-out process

and were advised that membership had increased by 45 due to the intake of the new recruits. It was reported that anecdotal evidence suggested that a large proportion of the opt-outs had been for financial reasons. The opt-out process had a number of staging dates at which point those firefighters who had chosen not to join the pension scheme would be contacted and invited to review their decision.

RESOLVED

That the report be noted.

10 Legislative update

The Chief Employment Services Officer submitted a report which provided an update with regard to the following:

- Transitional protections – this was an ongoing issues and a decision from the employment tribunal was anticipated for early November which may impact upon West Yorkshire Fire and Rescue for whom some Firefighters were still transitioning into the 2015 scheme.
- General Data Protection Regulation (GDPR) – guidance had been received from the Local Government Association and the Pensions Regulator with regard to a Firefighter Pension Scheme specific privacy notice. As a dedicated notice had not yet been produced in West Yorkshire, an interim notice had been supplied for scheme members.

- Ill health injury compensation / tax issues – no compensation had been agreed to date and five cases remained outstanding with HM Revenue and Customs. Any compensation would be include a refund for the previous three years plus the current tax year.

In response to a question about discretion in the level of compensation, Members were advised by the Local Government Association Pensions Adviser that the Compensation Regulations 2006 took out the compensation element from the 1992 Pension Scheme and the decision had been that it would not be taxable – a step which every Fire Authority in England had made.

RESOLVED

- a) That the report be noted;
- b) That the Firefighters' Pension Scheme specific Privacy Notice be issued in West Yorkshire at the earliest opportunity; and
- c) That detail of any compensation payments made be reported to the next meeting of the Local Pension Board as appropriate.

11 Pension Ombudsman – update

Members received a report of the Chief Employment Services Officer which presented two relevant sample cases reviewed by the Pension Ombudsman since the date of the last meeting as follows;

- Mr A – interpretation of scheme rules / policy
- Mr B – incorrect calculation

It was reported that West Yorkshire would not have made the same decision as had been made by Warwickshire Fire and Rescue Authority where Mr A's appeal had been upheld and therefore there would be no impact on the Authority.

RESOLVED

That the report be noted.

12 Scheme Advisory Board – update

RESOLVED

- a) That the Minutes of the Scheme Advisory Board meetings held on 1 December 2017 and 9 March 2018 be noted.
- b) That the Survey of Fire and Rescue Authority Local Pension Boards published in February 2018 be noted and that it be acknowledged that some of the issues raised in the survey would be covered in the training to be provided to the Board after the close of the current formal meeting.

13 Scrutiny and Review

The Chief Employment Services Officer submitted information on the following areas for scrutiny and review;

- Annual benefit statements – Members were advised that payroll had not been in a position to submit the year end data and that the 31 August submission deadline may not be complied with for which there would be a possible penalty

- Discretions made by the Scheme Manager – one had been made since the date of the last meeting
- Guaranteed Minimum Payment (GMP) reconciliations – this was ongoing and the deadline for submission to HM Revenue and Customs was October 2018

RESOLVED

- a) That the report be noted;
- b) That a report be submitted to the West Yorkshire Fire and Rescue Authority with regard to the possible penalty to be awarded for late submission of data for Annual Benefit statements; and
- c) That GMP reconciliations be reported to the October meeting of the Board if available.

14 West Yorkshire Pension Fund – key performance indicators

Consideration was given to a report of the Chief Employment Services Officer which advised of West Yorkshire Pension Fund (WYPF) performance in key areas for the periods 1 April 2017 – 31 May 2018.

Members were advised that there were two areas of concern in particular as follows;

- deferred benefits set up on leaving fire – due to WYPF software issues
- Spouse potential fire – due to difficulties in contacting / locating next of kin

In response to Members' queries it was further reported that some of the pension estimates may take longer than the 10-day target due to date prioritisation and workload but all were resolved before effective retirement dates.

RESOLVED

- a) That the report be noted; and
- b) That reassurance be sought from West Yorkshire Pension Fund with regard to the projected maintenance of service levels consequent upon a significant recent expansion in their Fire Authority customer base.

15 Implementation of Pension Risk Register

(This item was considered exempt information under Schedule 12A (3) of the Local Government Act 1972 – financial or business affairs).

The Chief Employment Services Officer submitted a report which sought approval for the implementation of a pension risk register.

RESOLVED

- a) That, subject to the inclusion of detail of testing intervals, the draft pension risk register be approved as now submitted; and
- b) That the Pension Risk Register be reviewed as a standing item at every meeting of the Local Pension Board.

Chair