

Due to the current heightened security level at all our premises, Members are reminded to wear their identity badges whilst attending meetings. Any visitors must produce photographic identification at Reception.

LOCAL PENSION BOARD COMMITTEE SUMMONS

SOUTH WALES FIRE & RESCUE AUTHORITY

You are required to attend a meeting of the Local Pension Board Committee to be held on **Star Leaf Access Code: 4549620359**
Monday, 6 July 2020 at 1030 hours.

A G E N D A

1. Apologies for Absence
2. Declarations of Interest

Members of the Fire & Rescue Authority are reminded of their personal responsibility to declare both orally and in writing any personal and/or prejudicial interest in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct.

3. Chairperson's Announcements
4. To Receive the Minutes of:-
 - Local Pension Board Committee Meeting held on 20 January 2020 3
5. Local Pension Board Terms of Reference (ToR) 7
6. Local Pension Board – Members Handbook 17
7. Local Pension Board – Firefighter Pensions Administration Key Performance Indicators and Administration Activity 41
8. Update on Protected Pension Age (PPA) – To be Presented via a Verbal Update on the Day 49

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| 10. | Firefighter Pension Schemes – Scheme Comparisons | 69 |
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| 12. | Appointment of Deputy Chairperson of the Local Pension Board Committee | 75 |
| 13. | Forward Work Programme 2020-2021 | 77 |
| 14. | To consider any items of business that the Chairperson deems urgent (Part 1 or 2) | 83 |

Signature of Proper Officer:



MEMBERSHIP

Councillors:

| | | |
|---|-------------|--|
| S | Bradwick | Rhondda Cynon Taff |
| L | Brown | Monmouthshire |
| P | Drake | Vale of Glamorgan |
| V | Smith | Monmouthshire |
| R | Bailey | Fire Brigades' Union |
| D | King | FRSA |
| R | Prendergast | Association of Principal Fire Officers |
| S | Saunders | Fire Brigades' Union |

SOUTH WALES FIRE & RESCUE AUTHORITY

MINUTES OF THE LOCAL PENSION BOARD MEETING HELD ON MONDAY 20 JANUARY 2020 AT SOUTH WALES FIRE & RESCUE SERVICE HEADQUARTERS

20. PRESENT:

| | |
|------------------------|--|
| S Bradwick (Chair) | Rhondda Cynon Taff |
| V Smith (Deputy Chair) | Monmouthshire |
| L Brown | Monmouthshire |
| J Harries | Rhondda Cynon Taff |
| D King | Fire & Rescue Service Association |
| R Prendergast | Association of Principal Fire Officers |
| S Saunders | Fire Brigades Union, Brigade Chair |

OFFICERS PRESENT:- ACO A Reed – Director of People Services, ACO C Barton – Treasurer, Ms S Watkins – Deputy Monitoring Officer, Ms K Jeal – HR Manager, Mr I Traylor – Service Director, RCT Pensions, Ms C Black, RCT Pensions

21. DECLARATIONS OF INTEREST

Each Member declared a personal non-prejudicial interest in each agenda item which affected their Authority.

22. CHAIR'S ANNOUNCEMENTS

There were no new announcements to report.

23. MINUTES OF PREVIOUS MEETING

The minutes of the previous Local Pension Board Committee meeting held on 21 October, 2019, were received and accepted as a true record of proceedings.

24. LOCAL PENSION BOARD - FIREFIGHTER PENSIONS ADMINISTRATION: KEY PERFORMANCE INDICATORS

The ACO People Services and RCT Service Director, informed Members that the Service Level Agreement (SLA) between South Wales Fire & Rescue Service and Rhondda Cynon Taf County Borough Council, sets out the manner in which certain duties and responsibilities were expected to be carried out. A key element of the Service Level

Agreement was the reporting on actual performance activity against the key delivery Service Standards. The presented report shared the performance data for the period 1 November to 30 November, 2019.

The Death Grant for active members within 5 days has been added to the Indicators as agreed.

It was highlighted that 2 cases of transferees both went over the 10 days target. There was no financial implications for the persons concerned. It was agreed that Officers will advise how long over the 10 day period this took at the next meeting.

RESOLVED THAT

Members agreed to note the performance data attached to the report at Appendix 1.

25. LOCAL PENSION BOARD – MEMBERS HANDBOOK

The ACO People Services informed Members that Officers had developed the content of a Members Handbook for the purpose of ensuring all Local Pension Board Members had the requisite knowledge, skills and understanding to enable them to fulfil their role on the Board. The report shared the first four chapters of the Handbook for approval by the Local Pension Board Members.

It was highlighted that there are only 3 scheme member representatives in attendance not 4 as is in the document. It was advised that one member had retired and his predecessor Robert Bailey will be invited to future meetings. This will ensure there are 4 members represented and invited to future meetings.

A discussion arose in relation to the Quorum and attendees at meetings. It was agreed that there is a requirement to ensure there is a balance in attendees, ACO People Services and Treasurer will look at what the legal requirements are and inform the group at the next meeting.

RESOLVED THAT

Members agreed to approve Chapters 1-4 of the Members Handbook attached to the report as Appendix 1.

26. LOCAL PENSION BOARD – TRAINING STRATEGY & FRAMEWORK

The ACO People Services informed Members that they were required to have a Training Strategy and Framework to meet the statutory requirements of ensuring all Board Members had the requisite knowledge, skills, and understanding to enable them to fulfil their role on the Board. A draft strategy and framework was presented to the Local Pension Board for approval at its October meeting. The presented report provided the content of each in more detail, and sought approval from the Board to proceed to implement the arrangements set out within the documents.

RESOLVED THAT

- 26.1 Members agreed to approve and adopt the Local Pension Board Training Strategy as outlined in Appendix 1 attached to the report.
- 26.2 Members agreed to approve and adopt the Local Pension Board Training Framework as outlined in Appendix 2 attached to the report.
- 26.3 Members agreed to complete and return the Training Needs Analysis at Appendix 3 attached to the report by the deadline of Friday, 31 January, 2020.

27. TRAINING SESSION FOR MEMBERS

Officers from RCT presented Members with a training session on Local Pension Board issues.

RESOLVED THAT

Members noted and completed the Local Pension Board training session.

28. FORWARD WORK PROGRAMME 2019/2020

The ACO People Services confirmed that the Programme of Work for 2019/2020 was complete as identified in the Forward Work Programme.

RESOLVED THAT

Members accepted the Forward Work Programme for 2019/2020.

29. TO CONSIDER ANY ITEMS OF BUSINESS THAT THE CHAIRMAN DEEMS URGENT (PART 1 OR 2)

There were no items of urgent business for Members to consider.

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LOCAL PENSION BOARD TERMS OF REFERENCE (ToR)

SUMMARY

This report invited Members of the Local Pension Board to undertake the annual review of its Terms of Reference (ToR).

RECOMMENDATION

That Members undertake the annual review of the Local Pension Board Terms of Reference.

1. BACKGROUND

- 1.1 Terms of Reference (ToR) define the purpose and structures of a project, committee, meeting, negotiation or any similar collection of people who have agreed to work together to achieve a shared goal.
- 1.2 Terms of Reference provide a documented basis for making future decisions and for confirming or developing a common understanding of the scope among stakeholders.
- 1.3 Terms of Reference should include the:-
 - Objectives, scope and deliverables (i.e. what has to be achieved)
 - Roles and responsibilities (i.e. who will take part in it)
 - Resources (i.e. how it will be achieved)

2. ISSUES

- 2.1 There are no immediate issues to report. The Local Pension Board Terms of Reference were discussed and agreed in 2019, and it is best practice to review them on an annual basis. The current version of the Local Pension Board Terms of Reference is contained at Appendix A attached to the report.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no additional financial issues arising as a result of this report.

4. EQUALITY RISK ASSESSMENT

- 4.1 An Equality Risk Assessment has been undertaken to assess the potential impact of this report. The assessment concluded that there were no immediate or long term adverse impacts on any individual or group of personnel arising from this particular report.

5. RECOMMENDATIONS

- 5.1 That Members undertake the annual review of the Local Pension Board Terms of Reference.

| | |
|---|---|
| Contact Officer: ACO Alison Reed Director of People Services | Background Papers: Appendix A |
|---|---|

APPENDIX A**SOUTH WALES FIRE AND RESCUE AUTHORITY
LOCAL PENSION BOARD****TERMS OF REFERENCE AND DELEGATED AUTHORITIES
(As determined for a Sub-Committee of
South Wales Fire & Rescue Authority)****1. INTRODUCTION**

The purpose of this document is to set out the Terms of Reference for the Local Pension Board of the South Wales Fire and Rescue Authority (Firefighters' Pension Fund). Appendix 'A' establishes the relationship between the Fire and Rescue Authority and the Local Pension Board.

The Local Pension Board will exercise all its powers and duties in accordance with the law and the Terms of Reference.

The Local Pension Board is providing oversight and assistance to the Scheme Manager. Accordingly, the Local Pension Board is not a decision making body in relation to scheme management and administration but merely makes recommendations to assist in such activities.

2. ROLE OF THE LOCAL PENSION BOARD

The role of the Local Pension Board as defined by Sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to:

- Assist the South Wales Fire and Rescue Authority as Scheme Manager:
 - To secure compliance with the Firefighters' Pension Scheme(s) regulations and any other legislation relating to the governance and administration of the Firefighters' Pensions Scheme(s)
 - To secure compliance with requirements imposed in relation to the Firefighters' Pension Scheme(s) by the Pension Regulator
 - To secure effective and efficient governance and administration of the Firefighters' Pension Schemes
 - In such other matters as the Firefighters' Pension Scheme(s) regulations may specify
- Secure the effective and efficient governance and administration of the Firefighters' Pension Scheme(s) for the South Wales Fire and Rescue Authority (Firefighters' Pension Fund)

- Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest.

The role of the Local Pension Board will be confined to these matters and not decision making.

The Local Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Local Pension Board will also help ensure that the Firefighters' Pension Scheme(s) are managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Local Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively, and at least 3 times per municipal year.

Minutes of each meeting will be e-mailed to Fire Authority Members. In addition, reports and recommendations will be made to the Fire Authority insofar as they relate to the role of the Local Pension Board.

3. APPOINTMENT OF MEMBERS OF THE LOCAL PENSION BOARD

The process for selecting members of the Local Pension Board is set out below.

The Local Pension Board shall consist of up to 9 members and be constituted as follows:-

- (a) 4 employer representatives
- (b) 4 scheme member representatives
- (c) 1 independent member selected by Scheme Manager

Named substitutes will be permitted and will be required to attend training events, and will receive all paperwork for each meeting.

The Scheme Manager shall make appropriate arrangements for the establishment of the membership of the Pension Board.

No elected member or officer of the Scheme Manager who is responsible for the discharge of any function for the Firefighters' Pension Scheme(s) may be a member of the Mid and West Wales Fire and Rescue Authority Local Pension Board.

The Scheme Manager must be satisfied that:

- a person to be appointed to the Pension Board as an Employer Representative has the capacity (i.e time and resources) to represent the employer on the Pension Board; and
- a person to be appointed as a Scheme Member Representative has the capacity to represent members on the Pension Boards; and
- a person to be appointed as an Independent Member / Chair has the capacity to fulfil this role on the Pension Board.

Each Employer Representative and Scheme Member Representative will have an individual voting right.

The Scheme Manager must be satisfied that any person to be appointed as a member of the Pension Board does not have a conflict of interest.

Pension Board members must endeavour to attend all Pension Board meetings and meet key attendance and training requirements to retain their membership during the period of their appointment to the Pension Board.

Scheme member and employer representatives shall be appointed in equal number and shall together form the majority of the Local Pension Board's membership.

The Chair of the Local Pension Board will be the Fire and Rescue Authority Deputy Chair person. It will be the role of the Chair to ensure that all members of the Board show due respect for the process, that all views are fully heard and considered and to determine when consensus has been met.

Term of Office

Fire and Rescue Authority members appointed remain members as long as they are eligible, and to assist in continuity of experience on the Local Pension Board.

Attendance

Each Board member should endeavour to attend all Local Pension Board meetings during the year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all of the other members. The removal of the independent member requires the consent of the Scheme Manager.

The Local Pension Board may, with the approval of the Scheme Manager, co-opt persons who are not members of the Board to serve on sub-committees, particularly where this would add skills and experience. Notwithstanding the appointment of co-opted members, the majority of the Board shall be comprised of employer and Scheme member representatives, represented in equal number.

4. QUORUM

At least four people must be present, including the Chair and at least half members present are employee representatives.

Advisers and co-opted persons do not count towards the quorum.

5. CONFLICTS OF INTEREST

The policy for identifying conflicts of interest is set out in a separate statement.

6. LOCAL PENSION BOARD REVIEW PROCESS

The Local Pension Board will undertake each year a formal review process to assess how well it and its committees, and the members are performing with a view to seeking continuous improvement in the Board's performance. *Annual report to Fire and Rescue Authority.*

7. ADVISERS TO THE LOCAL PENSION BOARD

The Local Pension Board may make use of advisers from time to time, subject to any applicable regulation and legislation in force, but this will be optional resource subject to budget agreements.

8. KNOWLEDGE AND SKILLS

A member of the Local Pension Board must be conversant with:-

- (a) The legislation and associated guidance of the Firefighters' Pension Scheme(s)
- (b) Any document recording policy about the administration of the Firefighters' Pension Scheme(s) which is for the time being adopted by the South Wales Fire and Rescue Authority (Firefighters' Pension Fund).

A member of the Local Pension Board must have knowledge and understanding of:-

- The law relation to pensions, and
- Any other matters which are prescribed in regulations

It is for the individual Local Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Local Pension Board.

In line with this requirement, Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

Local pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

Local Pension Board members will comply with the Scheme Manager's training policy.

9. LOCAL BOARD MEETINGS – NOTICE AND MINUTES

The Scheme Manager shall give notice to all Local Pension Board members of every meeting of the Pension Board.

The Scheme Manager shall ensure that a formal record of Local Pension Board proceedings is maintained.

Following the approval of the minutes by the Chair of the Local Pension Board, they shall be circulated to all members.

There will be three Local Pension Board meetings per year, with the option to call more as required.

10. REMIT OF THE LOCAL PENSION BOARD

The Local Pension Board must assist the Scheme Manager with such other matters as the scheme regulations may specify. It is for scheme regulations and the Scheme Manager to determine precisely what the Local Pension Board's role entails.

11. STANDARDS OF CONDUCT

The role of Local Pension Board members requires the highest standards of conduct and therefore the 'seven principles of public life' will be applied to all Local Pension Board members. There are: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.

12. DECISION MAKING

Each member of the Local Pension Board will have an individual voting right but it is expected the Local Pension Board will as far as possible reach a consensus. The Chair of the Local Pension Board will have the final 'casting' vote which will be reported to the Scheme Manager.

13. PUBLICATION OF LOCAL PENSION BOARD INFORMATION

Scheme members and other interested parties will want to know that the South Wales Fire and Rescue Authority (Firefighters' Pensions Fund) is being efficiently and effectively managed. They will also want to be confident that the Local Pension Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirements of the Pension Regulator.

Up to date information will be posted on the South Wales Fire and Rescue Authority website. (*Pensions page*)

The names and information of the Local Pension Board members

- How the scheme members are represented on the Pension Board
- The responsibilities of the Local Pension Board as a whole
- The full terms of reference and policies of the Pension Board and how they operate
- The Pension Board appointment process (as per independent member of Standards Committee)
- Who each individual Pension Board member represents
- Any specific roles and responsibilities of individual Pension Board members

Local Pension Board papers, agendas and minutes of meetings will be published on the South Wales Fire and Rescue Authority website. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

14. ACCOUNTABILITY

The Local Pension Board will be collectively and individually accountable to the Scheme Manager.

15. EXPENSE REIMBURSEMENT (REMUNERATION AND ALLOWANCES)

LPB members do not receive any remuneration for their role.

16. REPORTING BREACHES

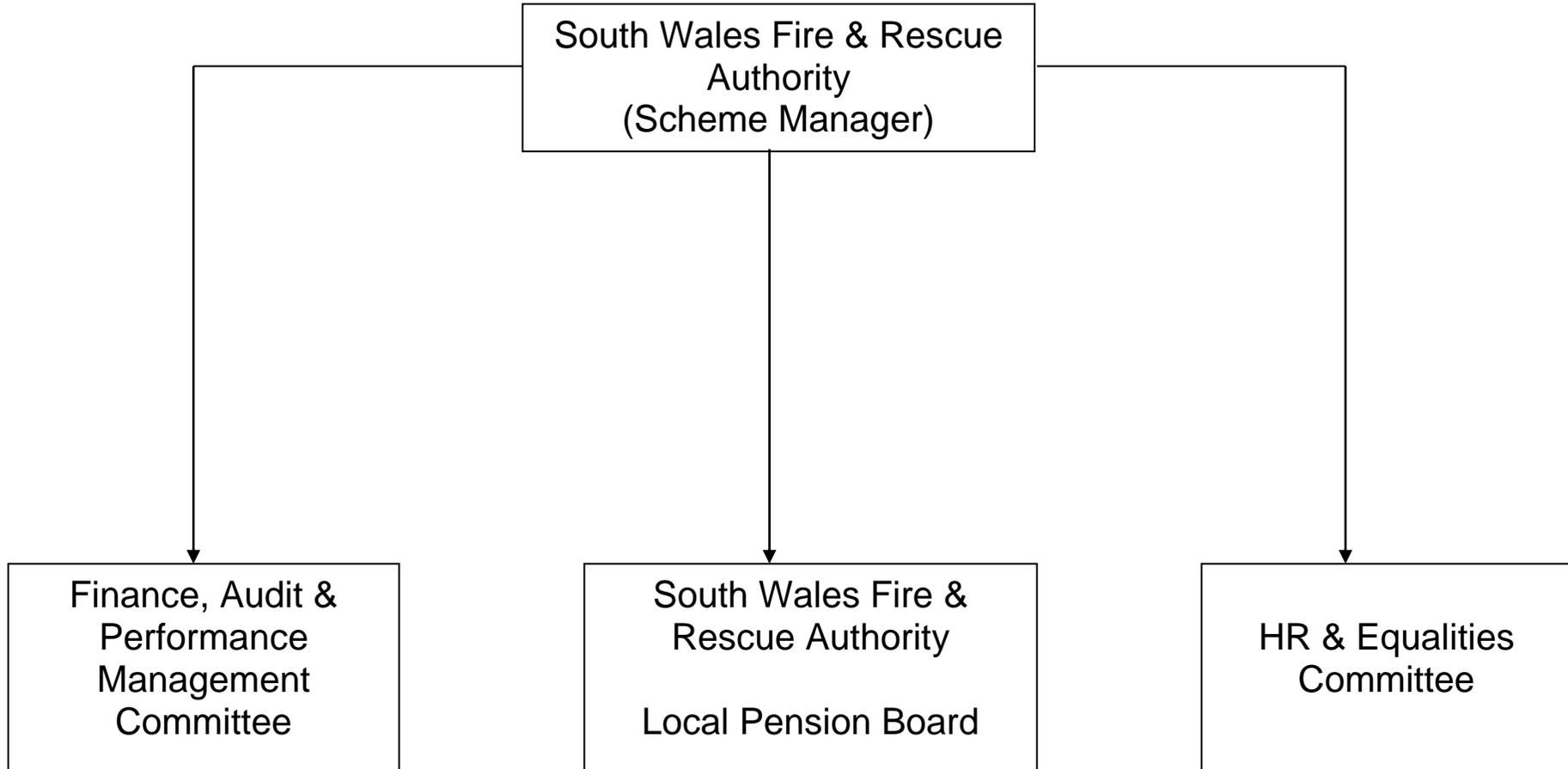
Any breach brought to the attention of the Local Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in a separate policy document, and would be dealt with through the appropriate channels currently in existence.

17. INTERPRETATION

Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Scheme Manager.

18. DEFINITIONS

- The term 'Local Pension Board' means the Local Pension Board for the South Wales Fire and Rescue Authority, administering authority for the South Wales Fire and Rescue Authority (Firefighters' Pension Fund) as required under the Public Service Pensions Act 2013.
- 'Scheme Manager' means the South Wales Fire and Rescue Authority as the administering authority for South Wales Fire and Rescue Authority (Firefighters' Pension Fund)
- 'Chair' refers to duties to be performed, or authorities exercised, by the Chair.
- 'Scheme' means the Firefighters' Pension Scheme 1992, the New Firefighters Pension Scheme 2007, Firefighters Compensation Scheme, RDS Modified Scheme and New Firefighters Pension Scheme 2015.



SOUTH WALES FIRE & RESCUE AUTHORITY
LOCAL PENSION BOARD COMMITTEE
REPORT OF THE ASSISTANT CHIEF OFFICER PEOPLE SERVICES

AGENDA ITEM NO 6
 6 JULY 2020

LOCAL PENSION BOARD – MEMBERS HANDBOOK

SUMMARY

We have been developing the content of a Members Handbook for the purpose of ensuring all Board Members have the requisite knowledge, skills, and understanding to enable them to fulfil their role on the Board. This paper shares the first four chapters of the Handbook for approval by the Local Pension Board. Members have previously approved Chapters 1-4.

RECOMMENDATION

That Members approve Chapters 5-11 of the Members Handbook attached to the report at Appendix 1. Chapters 1-4 are also attached at Appendix 2 for reference.

1. BACKGROUND

- 1.1 To support Members in their role, we have been developing proposals for a Members Handbook. The intention is that the Handbook provides a ready reference for Members on pensions and related matters. At its October meeting, the Board agreed to consider the content of the Members Handbook over the course of several meetings as this will allow Members to review the content in detail. Appendix 1 includes the first set of Chapters, and Appendix 2 contains Chapters 5-11 which are now for review by the Board.

2. FINANCIAL IMPLICATIONS

- 2.1 There are no significant implications from this report.

3. RECOMMENDATIONS

- 3.1 That Members approve Chapters 5-11 of the Members Handbook attached to the report at Appendix 1. Chapters 1-4 are also attached at Appendix 2 for reference.

| Contact Officer: | Background Papers: |
|--|---|
| ACO Alison Reed Director of People Services | Appendix 1 – Chapters 5-11 Appendix 2 – Chapters 1-4 |

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A quick guide to

public service pension boards

The Public Service Pensions Act 2013 and the Public Service Pensions Act (Northern Ireland) 2014 require pension boards to be established for the public service pension schemes.

These are initially the schemes for civil servants, armed forces, health service workers, teachers, judiciary, police, firefighters and local government workers. In due course it may also include some public body schemes.

The role of each board is to help ensure each scheme complies with governance and administration requirements. They may have additional duties, if scheme or other regulations so specify.

Pension boards need to have an equal number of employer representatives and member representatives. They may also have other types of members, such as independent experts. All pension board members have a duty to act in accordance with scheme regulations and other governing documents.

Scheme regulations (or scheme-specific guidance) may provide further detail on the scope of the pension board and how it should operate, for example how many pension board members need to attend a meeting and how often it should meet.

Scheme governance and administration

Scheme managers are responsible for the key areas of governance and administration including:

- ▶ managing risks and ensuring there are adequate internal controls
- ▶ keeping records and ensuring the quality of member data
- ▶ ensuring the correct contributions are paid to the scheme
- ▶ managing conflicts of interest
- ▶ publishing information about the board
- ▶ communicating information to members
- ▶ resolving disputes and reporting certain breaches of the law

Pension boards are responsible for assisting the scheme managers in securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme, including the matters listed above. The nature of this role in assisting scheme managers varies from scheme to scheme. The remit of pension boards is clarified by the scheme regulations or scheme-specific guidance.

Pension board meetings

Pension board meetings are formal, minuted occasions, where the status of the scheme and associated issues are reviewed and recommendations are made concerning the standards of scheme governance and administration.

There may be standard items on the agenda at every meeting, with extra items added as needed. There should be adequate time to deal with each issue on the agenda. If a board member feels that any particular subject is not being given enough time they should highlight this as a concern.

Who boards will work with

In the schemes with local administration (the police and firefighters' schemes in England and Wales, and the local government schemes in England, Scotland and Wales), the national scheme advisory board monitors standards across the entire scheme and advises scheme managers and pension boards on improving effectiveness and efficiency of the scheme and any pension fund of the scheme.

In local government pension schemes which have investment funds, the scheme manager will be responsible for administering, investing and managing the pension fund and may delegate these responsibilities to a committee, an officer or an investment manager (as appropriate). The pension board will assist the scheme manager. The board's role will vary from scheme to scheme, but is likely to generally consist of scrutiny, oversight and/or assurance. In Scotland, regulations have given pension boards specific powers to monitor investments.

The scheme managers

The scheme managers are:

- ▶ the administering authorities in the local government scheme
- ▶ the chief police officers, and various others, in the police scheme
- ▶ a fire and rescue authority board
- ▶ a relevant minister or secretary of state
- ▶ a Northern Ireland department

Publishing information about the board

In order to demonstrate that the scheme is being run effectively and efficiently, specific information on the pension board should be published and made easily accessible to scheme members. All information should be kept up-to-date and encompass factors such as:

- ▶ the full terms and conditions for the board
- ▶ who the board members are
- ▶ how members are represented on the board
- ▶ the responsibilities of the board as a whole
- ▶ the pension board appointment process
- ▶ who each individual pension board member represents

Help from The Pensions Regulator

Our website provides guidance to help pension board members carry out their role effectively. See www.tpr.gov.uk/publicservice.

We also provide learning resources in the form of a 'Public service toolkit' at www.pensionseducationportal.com.

Board members should become familiar with our code of practice for public service schemes, which provides further guidance on governance and administration. It can be found at www.tpr.gov.uk/code14.

Other sources of help

Other sources that may provide information or assistance to pension boards include the following:

- ▶ Scheme advisory boards may provide advice to the local government, firefighters' and police schemes on the effective and efficient administration and management of their scheme and any pension fund of the scheme.
- ▶ Employer associations, such as the Local Government Association and the NHS Confederation, may provide information and assistance to employer representatives.
- ▶ Trade unions and the Police Federation may provide information and assistance to member representatives.
- ▶ The Chartered Institute of Public Finance and Accountancy (CIPFA), a public finance accountancy body, is active in the local government pension schemes, providing advice and setting standards – see www.cipfa.org.
- ▶ The Pensions Ombudsman attempts to resolve disputes which scheme managers and trustees have failed to resolve. It also provides free information on pensions governance – see www.pensions-ombudsman.org.uk.
- ▶ Pensions Management Institute (PMI) provides a range of professional qualifications and training for pensions professionals – see www.pensions-pmi.org.uk.
- ▶ **Pensions and Lifetime Savings Association (PLAS)** represents funded pension schemes and their advisers. It also provides pension training courses – see www.plsa.co.uk

How to contact us

Napier House
Trafalgar Place
Brighton
BN1 4DW

customersupport@tpr.gov.uk
www.tpr.gov.uk

www.pensionseducationportal.com
Free online learning for those running public service schemes

A quick guide to
public service pension boards

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The Pensions
Regulator

Chapter 6

The Pensions Regulator – Conflicts of Interest

Conflicts of interest at a glance

1. The management of conflicts of interest is key to good scheme governance. While The Pensions Regulator recognises that many schemes have robust procedures, evidence suggests that there are aspects of conflicts management where further attention is required.

2. This *guidance aims to provide educational support*, particularly to smaller schemes, with a view to both *sharing good practice* and *raising standards*, in line with one of the regulator's statutory objectives ^[1].

3. This guidance acknowledges that there are certain aspects of the law relating to conflicts of interest which are unclear. This guidance concentrates on the governance aspects of conflicts management. It is not a substitute for taking legal advice.

4. A conflict of interest may arise when a fiduciary (which includes a trustee) is required to take a decision where:

1. the fiduciary is obliged to act in the best interests of his beneficiary;
and
2. at the same time he has or may have either
 1. a separate personal interest or
 2. another fiduciary duty owed to a different beneficiary in relation to that decision, giving rise to a possible conflict with his first fiduciary duty ^[2], which needs to be properly addressed.

Such a conflict can inhibit open discussions or result in decisions, actions or inactions that are not in the best interests of beneficiaries. This, in turn, may result in the trustees acting improperly, lead to a perception that the trustees have acted improperly, and may invalidate a decision or transaction.

5. Conflicts of interest may be classified as either real conflicts or potential conflicts ^[3].

6. Broadly, when considering conflicts of interest, this should be done in three stages:

1. **identification** - for any conflicts management procedure to be successful it must include a process for identifying conflicts;
2. **monitoring**; and
3. **managing**.

It is the third stage which is particularly difficult. The law relating to conflicts of interests is complex and comes from a variety of sources including common law (case law), the rules of equity and trust law, and pensions and general legislation. When trustees consider how best to manage a conflict, the role of the legal adviser is important.

7. The regulator recognises that it can be beneficial to appoint senior staff from the sponsoring employer as trustees, particularly in terms of knowledge, expertise and experience. However, conflicts are inherently likely to arise before and after appointing such individuals as trustees. It is therefore vital that those conflicts are appropriately identified, monitored and managed.

8. Throughout this guidance reference to ‘employer’ may include members of the employer group and other parties with a financial interest in the scheme.

9. Clearly the way in which conflicts are managed will be case specific and may reflect the nature or scale of the conflict. This may include the use of a number of measures (provided such measures are permitted by the scheme’s legal framework). Some conflicts of interest may be so acute or pervasive that it would be better to avoid them entirely, for example, the acutely conflicted trustee could resign. In such circumstances they could be replaced, as appropriate, by the appointment of an independent trustee.

10. There are potential risks with any approach. When seeking to manage a non-trivial conflict of interest, and where the conflict could have the potential to be detrimental to the conduct or decisions of the trustees, the regulator would expect trustees to seriously consider obtaining independent advice from a lawyer when considering any option ^[4]. Trustees should therefore assess the nature of the conflict being managed and the risk or threat to decision-making ^[5].

11. Trustees also need to ensure that adviser conflicts, which may affect the independence of advice, are identified and appropriately managed.

12. There should be a culture of openness: disclosure of conflicts should be embraced, not ignored. We expect all conflicts of interest to be resolved sensibly. Where a conflict comes to the attention of the regulator and the regulator considers that it is not being managed appropriately, we will take appropriate action. In some circumstances this might include the replacement of a trustee(s) and/or the appointment of an independent trustee.

Footnotes for this section

- [1] Section 5(1)(d) Pensions Act 2004 – ‘to promote, and to improve the understanding of, the good administration of work-based pension schemes.’
- [2] Such conflicts of interest may affect not only trustees but also directors, agents, professional advisers and others.
- [3] Unless otherwise stated, references to ‘conflicts of interest’ include real and/or potential conflicts.

- [4] All examples in this guidance are for illustrative purposes only and do not negate the trustees' duty to seek independent legal advice where appropriate. All conflicts scenarios are scheme specific and fact dependent and should be discussed with a legal adviser.
- [5] The regulator would also expect trustees to seriously consider seeking legal advice if they are in any doubt whether or not a conflict is non-trivial or whether or not it could have the potential to be detrimental to the conduct or decisions taken by the trustees.

Full guidance can be accessed here:

<https://www.thepensionsregulator.gov.uk/en/document-library/regulatory-guidance/conflicts-of-interest#091e243bd87746baa0e887e51fe53935>

Firefighter Pensions Schemes – Chapters 7 - 11

Chapter 7: A Guide to the Firefighters Pension Scheme 1992

<http://www.legislation.gov.uk/uksi/1992/129/schedule/2/made>

Chapter 8: A Guide to the Firefighters' Compensation Scheme 2006

http://www.legislation.gov.uk/uksi/2006/1811/pdfs/uksi_20061811_en.pdf

Chapter 9: A Guide to the New Firefighters Pension Scheme 2006 (England) and 2007 (Wales)

http://www.legislation.gov.uk/uksi/2006/3432/pdfs/uksi_20063432_en.pdf

<http://www.legislation.gov.uk/wsi/2007/1072/contents/made>

Chapter 10: A Guide to the Firefighters Pension Scheme (Wales) 2015

<http://www.legislation.gov.uk/wsi/2015/622/contents/made>

Chapter 11: A Guide to the Retained Firefighters Modified Pension Scheme

<file:///C:/Users/000916/Downloads/LPFA+RDS+Firefighters+Pension+Scheme+arrangements+November++2014.pdf>

SOUTH WALES FIRE & RESCUE

SERVICE

LOCAL PENSIONS BOARD

MEMBERS HANDBOOK

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Chapter 1

Chairs Welcome

Welcome to the South Wales Fire & Rescue Service Local Pension Board (LPB) Members Handbook. The purpose of the handbook is to provide you with a one-stop-shop of the relevant information you need to allow you to discharge your duties as an LPB member.

We each play a key role as members of the LPB and, as such, it is the role of the LPB to provide oversight and assistance on Firefighter Pensions to the Scheme Manager, namely the South Wales Fire & Rescue Authority. Accordingly, the Local Pension Board is not a decision making body in relation to scheme management and administration but makes recommendations to assist in such activities.

I am grateful for your continued support and I hope you find this handbook a useful addition to your toolkit.

STEVEN BRADWICK
CHAIR, LOCAL PENSION BOARD

Chapter 2

Membership of the Local Pension Board

The Local Pension Board shall consist of up to 9 members and be constituted as follows:-

- (a) 4 employer representatives
- (b) 4 scheme member representatives
- (c) 1 representative selected by Scheme Manager

Named substitutes will be permitted and will be required to attend training events, and will receive all paperwork for each meeting.

The Scheme Manager shall make appropriate arrangements for the establishment of the membership of the Pension Board.

No elected member or officer of the Scheme Manager who is responsible for the discharge of any function for the Firefighters' Pension Scheme(s) may be a member of the Mid and West Wales Fire and Rescue Authority Local Pension Board.

Term of Office

Fire and Rescue Authority members appointed remain members as long as they are eligible, and to assist in continuity of experience on the Local Pension Board.

Attendance

Each Board member should endeavour to attend all Local Pension Board meetings during the year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all of the other members. The removal of the independent member requires the consent of the Scheme Manager.

The Local Pension Board may, with the approval of the Scheme Manager, co-opt persons who are not members of the Board to serve on sub-committees, particularly where this would add skills and experience. Notwithstanding the appointment of co-opted members, the majority of

the Board shall be comprised of employer and Scheme member representatives, represented in equal number.

Quorum

At least four people must be present, including the Chair and at least half members present are employee representatives.

Advisers and co-opted persons do not count towards the quorum.

Conflicts of Interest

The policy for identifying conflicts of interest is set out in a separate statement.

Local Pension Board Review Process

The Local Pension Board will undertake each year a formal review process to assess how well it and its committees, and the members are performing with a view to seeking continuous improvement in the Board's performance.

Chapter 3

Terms of Reference

TERMS OF REFERENCE AND DELEGATED AUTHORITIES (as determined for a Sub-Committee of South Wales Fire and Rescue Authority)

1. INTRODUCTION

The purpose of this document is to set out the Terms of Reference for the Local Pension Board of the South Wales Fire and Rescue Authority (Firefighters' Pension Fund). Appendix 'A' establishes the relationship between the Fire and Rescue Authority and the Local Pension Board.

The Local Pension Board will exercise all its powers and duties in accordance with the law and the Terms of Reference.

The Local Pension Board is providing oversight and assistance to the Scheme Manager. Accordingly, the Local Pension Board is not a decision making body in relation to scheme management and administration but merely makes recommendations to assist in such activities.

2. ROLE OF THE LOCAL PENSION BOARD

The role of the Local Pension Board as defined by Sections 5 (1) and (2) of the Public Service Pensions Act 2013, is to:

- Assist the South Wales Fire and Rescue Authority as Scheme Manager:
 - To secure compliance with the Firefighters' Pension Scheme(s) regulations and any other legislation relating to the governance and administration of the Firefighters' Pensions Scheme(s)
 - To secure compliance with requirements imposed in relation to the Firefighters' Pension Scheme(s) by the Pension Regulator
 - To secure effective and efficient governance and administration of the Firefighters' Pension Schemes
 - In such other matters as the Firefighters' Pension Scheme(s) regulations may specify
- Secure the effective and efficient governance and administration of the Firefighters' Pension Scheme(s) for the South Wales Fire and Rescue Authority (Firefighters' Pension Fund)

- Provide the Scheme Manager with such information as it requires to ensure that any member of the Local Pension Board or person to be appointed to the Local Pension Board does not have a conflict of interest.

The role of the Local Pension Board will be confined to these matters and not decision making.

The Local Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Local Pension Board will also help ensure that the Firefighters' Pension Scheme(s) are managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Local Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively, and at least 3 times per municipal year.

Minutes of each meeting will be e-mailed to Fire Authority Members. In addition, reports and recommendations will be made to the Fire Authority insofar as they relate to the role of the Local Pension Board.

3. APPOINTMENT OF MEMBERS OF THE LOCAL PENSION BOARD

The process for selecting members of the Local Pension Board is set out below.

The Local Pension Board shall consist of up to 9 members and be constituted as follows:-

- (d) 4 employer representatives
- (e) 4 scheme member representatives
- (f) 1 representative selected by Scheme Manager

Named substitutes will be permitted and will be required to attend training events, and will receive all paperwork for each meeting.

The Scheme Manager shall make appropriate arrangements for the establishment of the membership of the Pension Board.

No elected member or officer of the Scheme Manager who is responsible for the discharge of any function for the Firefighters' Pension Scheme(s) may be a member of the South Wales Fire and Rescue Authority Local Pension Board.

The Scheme Manager must be satisfied that:

- a person to be appointed to the Pension Board as an Employer Representative has the capacity (i.e time and resources) to represent the employer on the Pension Board; and
- a person to be appointed as a Scheme Member Representative has the capacity to represent members on the Pension Boards; and
- a person to be appointed as an Independent Member / Chair has the capacity to fulfil this role on the Pension Board.

Each Employer Representative and Scheme Member Representative will have an individual voting right.

The Scheme Manager must be satisfied that any person to be appointed as a member of the Pension Board does not have a conflict of interest.

Pension Board members must endeavour to attend all Pension Board meetings and meet key attendance and training requirements to retain their membership during the period of their appointment to the Pension Board.

Scheme member and employer representatives shall be appointed in equal number and shall together form the majority of the Local Pension Board's membership.

The Chair of the Local Pension Board will be the Fire and Rescue Authority Deputy Chair person. It will be the role of the Chair to ensure that all members of the Board show due respect for the process, that all views are fully heard and considered and to determine when consensus has been met.

Term of Office

Fire and Rescue Authority members appointed remain members as long as they are eligible, and to assist in continuity of experience on the Local Pension Board.

Attendance

Each Board member should endeavour to attend all Local Pension Board meetings during the year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all of the other members. The removal of the independent member requires the consent of the Scheme Manager.

The Local Pension Board may, with the approval of the Scheme Manager, co-opt persons who are not members of the Board to serve on sub-committees, particularly where this would add skills and experience. Notwithstanding the appointment of co-opted members, the majority of the Board shall be comprised of employer and Scheme member representatives, represented in equal number.

4. QUORUM

At least four people must be present, including the Chair and at least half members present are employee representatives.

Advisers and co-opted persons do not count towards the quorum.

5. CONFLICTS OF INTEREST

The policy for identifying conflicts of interest is set out in a separate statement.

6. LOCAL PENSION BOARD REVIEW PROCESS

The Local Pension Board will undertake each year a formal review process to assess how well it and its committees, and the members are performing with a view to seeking continuous improvement in the Board's performance. *Annual report to Fire and Rescue Authority.*

7. ADVISERS TO THE LOCAL PENSION BOARD

The Local Pension Board may make use of advisers from time to time, subject to any applicable regulation and legislation in force, but this will be optional resource subject to budget agreements.

8. KNOWLEDGE AND SKILLS

A member of the Local Pension Board must be conversant with:-

- (a) The legislation and associated guidance of the Firefighters' Pension Scheme(s)
- (b) Any document recording policy about the administration of the Firefighters' Pension Scheme(s) which is for the time being adopted by the South Wales Fire and Rescue Authority (Firefighters' Pension Fund).

A member of the Local Pension Board must have knowledge and understanding of:-

- The law relation to pensions, and
- Any other matters which are prescribed in regulations

It is for the individual Local Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Local Pension Board.

In line with this requirement, Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

Local pension Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

Local Pension Board members will comply with the Scheme Manager's training policy.

9. LOCAL BOARD MEETINGS – NOTICE AND MINUTES

The Scheme Manager shall give notice to all Local Pension Board members of every meeting of the Pension Board.

The Scheme Manager shall ensure that a formal record of Local Pension Board proceedings is maintained.

Following the approval of the minutes by the Chair of the Local Pension Board, they shall be circulated to all members.

There will be three Local Pension Board meetings per year, with the option to call more as required.

10. REMIT OF THE LOCAL PENSION BOARD

The Local Pension Board must assist the Scheme Manager with such other matters as the scheme regulations may specify. It is for scheme regulations and the Scheme Manager to determine precisely what the Local Pension Board's role entails.

11. STANDARDS OF CONDUCT

The role of Local Pension Board members requires the highest standards of conduct and therefore the 'seven principles of public life' will be applied to all Local Pension Board members. There are: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.

12. DECISION MAKING

Each member of the Local Pension Board will have an individual voting right but it is expected the Local Pension Board will as far as possible

reach a consensus. The Chair of the Local Pension Board will have the final 'casting' vote which will be reported to the Scheme Manager.

13. PUBLICATION OF LOCAL PENSION BOARD INFORMATION

Scheme members and other interested parties will want to know that the South Wales Fire and Rescue Authority (Firefighters' Pensions Fund) is being efficiently and effectively managed. They will also want to be confident that the Local Pension Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirements of the Pension Regulator.

Up to date information will be posted on the South Wales Fire and Rescue Authority website. (*Pensions page*)

The names and information of the Local Pension Board members

- How the scheme members are represented on the Pension Board
- The responsibilities of the Local Pension Board as a whole
- The full terms of reference and policies of the Pension Board and how they operate
- The Pension Board appointment process (as per independent member of Standards Committee)
- Who each individual Pension Board member represents
- Any specific roles and responsibilities of individual Pension Board members

Local Pension Board papers, agendas and minutes of meetings will be published on the South Wales Fire and Rescue Authority website. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

14. ACCOUNTABILITY

The Local Pension Board will be collectively and individually accountable to the Scheme Manager.

15. EXPENSE REIMBURSEMENT (REMUNERATION AND ALLOWANCES)

LPB members do not receive any remuneration for their role.

16. REPORTING BREACHES

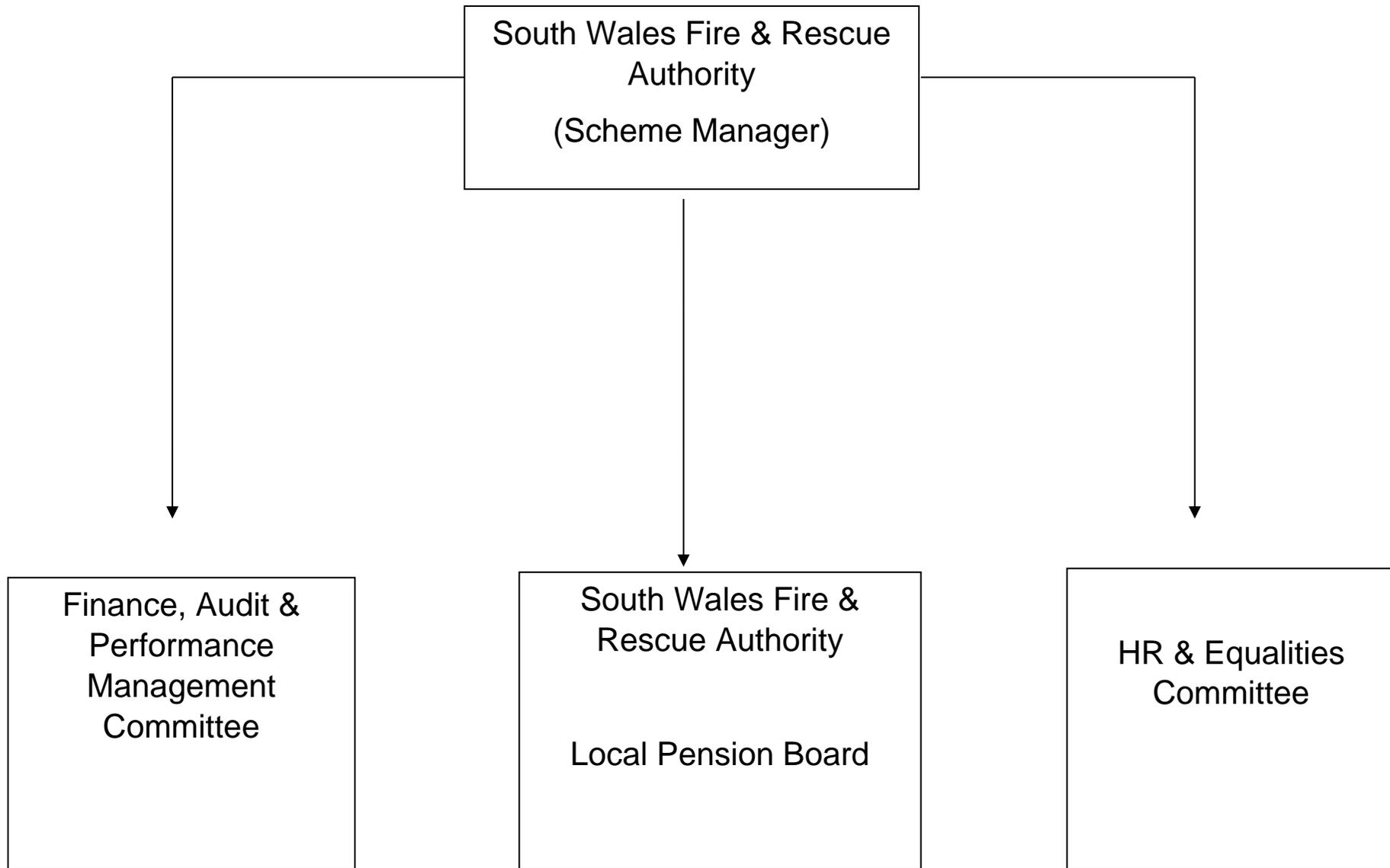
Any breach brought to the attention of the Local Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in a separate policy document, and would be dealt with through the appropriate channels currently in existence.

17. INTERPRETATION

Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Scheme Manager.

18. DEFINITIONS

- The term 'Local Pension Board' means the Local Pension Board for the South Wales Fire and Rescue Authority, administering authority for the South Wales Fire and Rescue Authority (Firefighters' Pension Fund) as required under the Public Service Pensions Act 2013.
- 'Scheme Manager' means the South Wales Fire and Rescue Authority as the administering authority for South Wales Fire and Rescue Authority (Firefighters' Pension Fund)
- 'Chair' refers to duties to be performed, or authorities exercised, by the Chair.
- 'Scheme' means the Firefighters' Pension Scheme 1992, the New Firefighters Pension Scheme 2007, Firefighters Compensation Scheme, RDS Modified Scheme and New Firefighters Pension Scheme 2015.



Chapter 4

The Pensions Regulator Guide to the Code of Practice 14

[insert here]

| Contact Officer: | Background Papers: |
|--|---|
| Mr Ian Traylor Service Director – Pensions, Procurement & Transactional Services RCTCBC | Appendix 1 – 2019/20 Year End Key Performance Appendix 2 – Current Year Key Performance Appendix 3 – Pension Administration Update |

**2019/2020 Performance – Scheme 090
(Protected 92 Scheme Members
and Transitioned members)**

| Title | Target | Intervention | 2019/2020 YTD Actual |
|---|---------------|---------------------|-------------------------------------|
| % refund of contributions processed within 10 days (Monthly) | 100.00 | 95.00 | 0.00 |
| % divorce estimates processed within 10 days (Monthly) | 100.00 | 95.00 | 100.00 |
| % preserved benefits processed within 10 days (Monthly) | 100.00 | 90.00 | 100.00 |
| % employer requests for retirement estimates processed within 5 days (Monthly) | 100.00 | 95.00 | 0.00 |
| % retirements from active membership processed within 5 days (Monthly) | 100.00 | 95.00 | 80.00 |
| % preserved benefits into payment on retirement processed within 5 days (Monthly) | 100.00 | 95.00 | 0.00 |
| % transfers in processed within 10 days (Monthly) | 100.00 | 90.00 | 100.00 |
| % transfers out processed within 10 days (Monthly) | 100.00 | 95.00 | 0.00 |
| % death grant for active members within 5 days (Monthly) | 100.00 | 95.00 | 100.00 |

**2019/2020 Performance – Scheme FIR
(2006 Scheme Members and Transitioned members)**

| Title | Target | Intervention | 2019/2020 YTD Actual |
|---|---------------|---------------------|-------------------------------------|
| % refund of contributions processed within 10 days (Monthly) | 100.00 | 95.00 | 0.00 |
| % divorce estimates processed within 10 days (Monthly) | 100.00 | 95.00 | 100.00 |
| % preserved benefits processed within 10 days (Monthly) | 100.00 | 90.00 | 98.91 |
| % employer requests for retirement estimates processed within 5 days (Monthly) | 100.00 | 95.00 | 100.00 |
| % retirements from active membership processed within 5 days (Monthly) | 100.00 | 95.00 | 100.00 |
| % preserved benefits into payment on retirement processed within 5 days (Monthly) | 100.00 | 95.00 | 100.00 |
| % transfers in processed within 10 days (Monthly) | 100.00 | 90.00 | 50.00 |
| % transfers out processed within 10 days (Monthly) | 100.00 | 95.00 | 0.00 |
| % death grant for active members within 5 days (Monthly) | 100.00 | 95.00 | 0.00 |
| % death grant for pensioner members within 5 days (Monthly) | 100.00 | 95.00 | 0.00 |

Appendix 2

| MONTHLY SERVICE STANDARDS | | | | | | | | | | | | | | | Relates to last Month Completed | |
|---|-----------|--------------|-------|-----|------|------|-----|------|-----|-----|-----|-----|-----|-------|---------------------------------|---------------------------------|
| Scheme FIR (2006 Scheme and Transitioned members) | | | | | | | | | | | | | | | | |
| STANDARD MEASURED | TARGET | INTERVENTION | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MARCH | Comments | 2020/2021 Year to Date Actual % |
| % Refund of contributions processed within 10 days | Payment | 100 | 95 | 0 | 0 | | | | | | | | | | No cases completed | 0 |
| % Divorce Estimates processed within 10 days | Statement | 100 | 95 | 100 | 0 | | | | | | | | | | No cases completed | 100 |
| % Preserved Benefits processed within 10 days | Statement | 100 | 90 | 100 | 0 | | | | | | | | | | No cases completed | 100 |
| % Employer requests for retirement estimates processed within 5 days | Statement | 100 | 95 | 0 | 0 | | | | | | | | | | No cases completed | 0 |
| % Retirements from Active membership processed within 5 days | Payment | 100 | 95 | 100 | 0 | | | | | | | | | | No cases completed | 100 |
| % Preserved Benefits into payment on retirement processed within 5 days | Payment | 100 | 95 | 0 | 0 | | | | | | | | | | No cases completed | 0 |
| % Transfers In processed within 10 days | Statement | 100 | 90 | 0 | 0 | | | | | | | | | | No cases completed | 0 |
| % Transfers Out processed within 10 days (Monthly) | Payment | 100 | 95 | 0 | 0 | | | | | | | | | | No cases completed | 0 |
| % death grant for active members within 5 days (Monthly) | Payment | 100 | 95 | 0 | 0 | | | | | | | | | | No cases completed | 0 |
| % death grant for pensioner members within 5 days (Monthly) | Payment | 100 | 95 | 0 | 0 | | | | | | | | | | No cases completed | 0 |

| MONTHLY SERVICE STANDARDS | | | | | | | | | | | | | | | Relates to last Month Completed | | |
|---|-----------|--------|--------------|-------|-----|------|------|-----|------|-----|-----|-----|-----|-----|---------------------------------|--------------------|---------------------------------|
| Scheme FIR (2006 Scheme and Transitioned members) | | | | | | | | | | | | | | | | | |
| STANDARD MEASURED | | TARGET | INTERVENTION | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MARCH | Comments | 2020/2021 Year to Date Actual % |
| % Refund of contributions processed within 10 days | Payment | 100 | 95 | 0 | 0 | | | | | | | | | | | No cases completed | 0 |
| % Divorce Estimates processed within 10 days | Statement | 100 | 95 | 100 | 0 | | | | | | | | | | | No cases completed | 100 |
| % Preserved Benefits processed within 10 days | Statement | 100 | 90 | 100 | 0 | | | | | | | | | | | No cases completed | 100 |
| % Employer requests for retirement estimates processed within 5 days | Statement | 100 | 95 | 0 | 0 | | | | | | | | | | | No cases completed | 0 |
| % Retirements from Active membership processed within 5 days | Payment | 100 | 95 | 100 | 0 | | | | | | | | | | | No cases completed | 100 |
| % Preserved Benefits into payment on retirement processed within 5 days | Payment | 100 | 95 | 0 | 0 | | | | | | | | | | | No cases completed | 0 |
| % Transfers In processed within 10 days | Statement | 100 | 90 | 0 | 0 | | | | | | | | | | | No cases completed | 0 |
| % Transfers Out processed within 10 days (Monthly) | Payment | 100 | 95 | 0 | 0 | | | | | | | | | | | No cases completed | 0 |
| % death grant for active members within 5 days (Monthly) | Payment | 100 | 95 | 0 | 0 | | | | | | | | | | | No cases completed | 0 |
| % death grant for pensioner members within 5 days (Monthly) | Payment | 100 | 95 | 0 | 0 | | | | | | | | | | | No cases completed | 0 |

Appendix 3

The following information is intended to provide Members of Pensions Board with an overview and update on key activity:

Scheme Data for FPS Schemes

The table below provides the 'Data Scores' reported to the Pension Regulator as a requirement of the Annual Scheme Return, at October 2019. The next data extract will be undertaken to satisfy the October 2020 Scheme Return requirements.

| | Common | | Conditional | |
|-------------|--------|------|-------------|------|
| | 2018 | 2019 | 2018 | 2019 |
| 2015 Scheme | 96% | 98% | 99% | 99% |
| 2006 Scheme | 89% | 94% | 96% | 98% |
| 1992 Scheme | 95% | 99% | 92% | 93% |

Member Self-Serve Statistics

Member Self-Serve (MSS) take-up as at 31 May 2020

| | Status 1 (Actives) | Status 2 (Pending leavers) | Status 4 (Deferred) | Status 5 (Pensioners) | Status 6 (Dependants) | Overall |
|-----------------------------|-----------------------|----------------------------------|------------------------|--------------------------|--------------------------|---------|
| Scheme 090 | 78.94% | 75.00% | 52.50% | 29.75% | 3.87% | 38.30% |
| <i>Total Membership</i> | 432 | 3 | 80 | 1089 | 181 | 1782 |
| Scheme FIR | 45.95% | 38.18% | 31.13% | 38.82% | 0.00% | 37.94% |
| <i>Total Membership</i> | 803 | 55 | 726 | 85 | 3 | 1672 |

Scheme Member Complaints

There are no formal complaints to report this period.

Administration Activities

Annual year end GFS data return to GAD

Attendance at two SAB meetings

GMP reconciliation - Final Data cut checking and updating GMP's to member records

Liaison with LGA to resolve complex member queries

2019/2020 Data collection spreadsheets issued for annual contributions return to post contributions and produce Annual Benefit Statements/Pension Saving Statements

Preparation for the forthcoming Fire Valuation, participation in a webinar which will explain the new process for extraction of the data in relation to the revised Gad Data Specification

HMRC tax queries.

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AGENDA ITEM NO 8

Report – Update on Protected Pension Age (PPA)

Author – ACO Alison Reed

To be Presented via a Verbal Update on the Day

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INTERNAL DISPUTE RESOLUTION PROCEDURES (IDRP)

SUMMARY

This report shares the procedure for resolving internal disputes in relation to pension matters. It also updates Members of the Local Pension Board on the cases that were considered under this procedure during 1 April 2019 to 31 March 2020.

RECOMMENDATION

1. That Members note the procedures for resolving internal disputes.
2. That Members note the cases considered under the IDRP procedure in the period 1 April 2019 to 31 March 2020

1. BACKGROUND

- 1.1 Internal dispute resolution arrangements play an important part in the management of public service pension schemes. They enable someone with an interest in the scheme to ask for a matter in dispute to be resolved.
- 1.2 Scheme managers of occupational public service pension schemes must make and implement arrangements for resolving disputes with members and other people with an interest in the scheme.
- 1.3 Where a person with an interest in the scheme is dissatisfied with any matter relating to the scheme, they have the right to ask for that matter to be reviewed.
- 1.4 A person has an interest in the scheme if they:-
 - Are a member or beneficiary of the scheme
 - Are a prospective member of the scheme
 - Have ceased to be a member, beneficiary or prospective member
 - Claim to be in one of the categories above, and the dispute relates to whether they are such a person
- 1.5 Dispute resolution arrangements generally do not apply to certain disputes, e.g. where a court or tribunal has started proceedings relating to the dispute or the Pensions Ombudsman Service is investigating the dispute.

- 1.6 IDRP can be a two-stage procedure with a specified person carrying out the first stage decision, or a single stage procedure if this is considered more appropriate. The procedure followed by the Service is that of WFRSC(09)01 issued by Welsh Government.
- 1.7 According to the Pensions Regulator, the scheme manager must communicate information about the procedure to members and others. The scheme manager must also provide information about the Pensions Ombudsman when an application is received or when notifying an applicant of the decision.
- 1.8 Appendix A attached to the report contains the current IDRP procedure.
- 1.9 Appendix B attached to the report contains high level information in relation to the cases that have been considered the IDRP procedure.

2. ISSUES

- 2.1 There are no immediate issues to report

3. FINANCIAL IMPLICATIONS

- 3.1 There are no additional financial issues arising as a result of this report. However, there may be financial implications arising out of a dispute.

4. EQUALITY RISK ASSESSMENT

- 4.1 An Equality Risk Assessment has been undertaken to assess the potential impact of this report. The assessment concluded that there were no immediate or long term adverse impacts on any individual or group of personnel arising from this particular report.

5. RECOMMENDATIONS

- 5.1 That Members note the procedures for resolving internal disputes.
- 5.2 That Members note the cases considered under the IDRP procedure in the period 1 April 2019 to 31 March 2020.

| Contact Officer: | Background Papers: |
|--|---------------------------|
| ACO Alison Reed Director of People Services | Appendix A Appendix B |

Wales Fire and Rescue Service
Circular



Llywodraeth Cynulliad Cymru
 Welsh Assembly Government

| | | | |
|------------------------|----------------------|--------------------|------------------------|
| Circular number | W-FRSC(09) 01 | Date issued | 14 January 2008 |
|------------------------|----------------------|--------------------|------------------------|

Status: For Information and Action

| | |
|---------------|---|
| Title: | Firefighters' Pension Scheme: Internal Dispute Resolution Procedure (IDRP) |
|---------------|---|

Issued by: Kingsley Rees

Kingsley Rees
 Head of Fire and Rescue Services Branch

Addressed to:

**Chief Fire Officers
 Chairs of the Fire and Rescue Authorities
 Chief Executives of the Local Authorities
 Clerks to the Fire and Rescue Authorities**

Please forward to:

**Treasurers
 Pensions Officers
 Medical/Occupational health managers
 Scheme Managers**

Summary

This circular advises FRAs that IDRPs arrangements have been reviewed and changes introduced with the agreement of the Firefighters' Pension Committee to ensure that they continue to meet the requirements of the Pensions Act 1995, as amended.

For further information, contact:

Jason Pollard/Julia Letton
 Fire and Rescue Services Branch
 Community Safety Division
 Welsh Assembly Government
 Merthyr Tydfil Office
 Rhydycar
 Merthyr Tydfil
 CF48 1UZ

Direct Line: 01685 729254/9253

Fax: 01685 729547

E-mail: Jason.pollard@wales.gsi.gov.uk

Julia.letton@wales.gsi.gov.uk

Website: www.wales.gov.uk/fire

CLG Ref: - FPSC 1/2009

Background

- 1.1 The Internal Dispute Resolution Procedures have been reviewed in the light of changes made to section 50 of the Pensions Act 1995 by section 273 of the Pensions Act 2004, as amended by section 16 of the Pensions Act 2007, and the Occupational Pension Schemes (Internal Dispute resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 (SI 2008/649).
- 1.2 The advice set out in this circular has been agreed with the Firefighters' Pension Committee.
- 1.3 This advice on the procedure for dealing with complaints under the Firefighters' Pension Scheme 1992 (FPS), the New Firefighters' Pension Scheme 2007 (NFPS) and the Firefighters' Compensation Scheme 2007 (FCS) should be followed in all cases where there is a dispute other than appeals lodged under Rule H2 of the FPS, Part 8, rule 4 of the NFPS or Part 6, rule 2 of the FCS, which are exempted under the 2008 Regulations.
- 1.4 Also exempted are matters in respect of which proceedings have been commenced in any court or tribunal, or the Pensions Ombudsman has commenced an investigation in respect of it as a result of a complaint made or a dispute referred to him/her
- 1.5 If, after an application for the resolution of a pension dispute has been made, the dispute becomes an exempted dispute under paragraphs 1.3 and 1.4 above, the resolution of the dispute under the procedure ceases.

2. Who is entitled to make a complaint under IDR?

- 2.1 The IDR are available to the following:
 - (a) a member (active, deferred or pensioner) of the FPS or NFPS,
 - (b) a widow, widower or surviving dependant of a deceased member of the FPS or NFPS,
 - (c) a surviving non-dependant beneficiary of a deceased member of the FPS or NFPS,
 - (d) a prospective member of the scheme,
 - (e) persons who have ceased to be within any of the categories of persons referred to in paragraphs (a) to (d), or
 - (f) persons who claim to be such a person as is mentioned in paragraphs (a) to (e) and the dispute relates to whether he/she is such a person.
- 2.2 As the procedures apply also to disputes relating to the Firefighters' Compensation Scheme 2007, they will be available to those who are entitled

to benefits under the Scheme, i.e. optants out of the FPS and NFPS, and retained firefighters employed before 6th April 2006 with protected rights.

3. Representation

- 3.1 An application under the IDRPs may be made or continued on behalf of a person who is a party to the dispute:
- (a) where the person dies, by his/her personal representative,
 - (b) where the person is a minor or is otherwise incapable of acting for him/herself, by a member of his/her family or some other person suitable to represent him/her, and
 - (c) in any other case, by a representative nominated by him/her.

4. How are IDRPs to be applied to the FPS and NFPS?

- 4.1 The IDRPs provide recourse for a person mentioned in paragraph 2.1 above who has a complaint relating to their pension, other than matters covered by the medical appeal arrangements in the FPS, NFPS and FCS. The amended arrangements allow for a single stage, although pension schemes have a discretion to make provision for two stages.
- 4.2 It is proposed that two-stage arrangements should be maintained on the following basis:

Stage One: the matters should be considered by the Chief Fire Officer, or a senior manager specified by him/her, who will give a decision in the matters; and

Stage Two: the decision should be confirmed or replaced by the decision of elected members of the fire and rescue authority. The authority may provide for decisions to be taken by or on their behalf by one or more of their number.

5. Stage One

- 5.1 The application for consideration of the dispute should be made in writing, giving details of the complaint. A suggested format is attached at Annex 1.
- 5.2 When an application is received, the Chief Fire Officer, or the person specified by him/her, should acknowledge, and must inform the applicant that the Pensions Advisory Service (TPAS) is available to assist members and beneficiaries of the scheme(s) in connection with any difficulty with the scheme, and give the applicant the contact details of TPAS.
- 5.3 Except in cases referred to in section 3, applications must be made by any person referred to in paragraph 2.1(a) to (d) above within six months beginning after the date on which the person could have reasonably known about the matter in dispute, or in the case of a person in categories (e) and (f) the person ceased to be a member of the FPS or NFPS. The Chief Fire Officer, or the person specified by him/her, has discretion to accept an application made outside this period.

- 5.4 The exceptions are any determinations by an authority under Part 8, rule 2 of the New Firefighters' Pension Scheme 2007, where rule 5 provides for written notice of any disagreement to be submitted within 28 days of receipt of the determination.
- 5.5 A decision on the application must be notified to the complainant or his representative within two months of receipt of the application or a further letter must be sent explaining the reason for the delay and the expected date of the decision.

6. Stage Two

- 6.1 If the complainant is dissatisfied with the decision at Stage One, he or she can apply in writing, not later than six months after the date on which notified of the Stage One decision, for the decision to be reconsidered by the fire and rescue authority. A suggested format is attached at Annex 2.
- 6.2 When an application is received, it should be acknowledged.
- 6.3 A decision must be taken within two months of receipt of the application or a further letter must be sent explaining the reasons for the delay and the expected date of the decision.
- 6.4 The notice of the decision must include a statement that the Pensions Ombudsman appointed under section 145(2) of the Pension Schemes Act 1993 may investigate and determine any complaint or dispute of fact or law, in relation to the schemes, made or referred in accordance with that Act; and contact details

7. Pro-formas

- 7.1 To provide assistance, draft application forms and letters for each stage have been prepared and are annexed.

Kingsley Rees
Head of Fire and Rescue Services Branch
Welsh Assembly Government

Annex 1

Stage One: Application

This application may be submitted by a person (or nominated representative) who is (a) an active, deferred or pensioner member of the Firefighters' Pension Scheme, or the New Firefighters' Pension Scheme; (b) a widow, widower or surviving dependant of a deceased member of the FPS or NFPS; (c) a surviving non-dependant beneficiary of a deceased member of the FPS or NFPS; (d) a prospective member of the NFPS; (e) persons who have ceased to be within any of the categories in (a) to (d); or (f) persons who claim to be a person mentioned in (a) to (e) and the dispute relates to whether he is such a person.

To the Chief Fire Officer, Fire and Rescue Authority

1. I wish to apply for a decision to be made, under section 50 of the Pensions Act 1995, in respect of the disagreement set out in this application.
2. I understand that an application may not be made where, in respect of a disagreement:
 - A notice of appeal has been issued under Rule H2 of the Firefighters' Pension Scheme 1992, Part 8, rule 4 of the New Firefighters' Pension Scheme 2007 or Part 6, rule 2 of the Firefighters' Compensation Scheme 2007 (appeal to a board of medical referees against a decision on an issue of a medical nature), or
 - Proceedings in respect of this dispute have begun in any court or tribunal, or
 - The Pensions Ombudsman has commenced an investigation into a complaint or a dispute referred to him.
3. The nature of the disagreement is set out in the attached page(s).

Complete in all cases (in Block capitals)

Full name of Scheme member

Role and employment reference

Address of Scheme member

.....

Member's date of birth Member's National Insurance No.

Complete if complainant is not a Scheme member (in Block Capitals)

Full name of complainant

Address for correspondence

.....

Relationship of complainant to Scheme member (if relevant)

Signature of complainant (or representative)Date

Nature of disagreement

Give a statement of the nature of the disagreement with sufficient details to show why aggrieved. If necessary, continue details on to another page and attach the application form with any supporting documents.

Signature of complainant (or representative)

Date

Stage One: Letter 1

Fire and Rescue Service Headed Notepaper

Dear *(name of complainant)*

**FIREFIGHTERS' PENSION SCHEME/NEW FIREFIGHTERS' PENSION SCHEME/FIREFIGHTERS' COMPENSATION SCHEME (as appropriate):
PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage One**

Your application under Section 50 of the Pensions Act 1995 for a decision in respect of a disagreement was received on *(date)*.....

I intend to make a decision on the matters raised by your application within two months from the date the application was received.

If, for any reason, I am unable to issue you with a decision within this time-scale you/and your representative *(complete as appropriate)* will be sent:

an interim reply;

the reasons for the delay; and

an expected date for the issue of the decision.

TPAS (the Pensions Advisory Service) is available to assist members and beneficiaries of pension schemes in connection with any difficulty with the scheme. TPAS can be contacted at: 11 Belgrave Road, London SW1V 1RB, telephone 0845 6012923

Yours sincerely,

(Chief Fire Officer or the person specified by him)

This acknowledgement letter must be sent, in all cases, where a Stage One application is received from a complainant. If there are problems with the way in which the application has been completed, then this letter should be adapted accordingly.

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Stage One: Letter 2**Fire and Rescue Service Headed Notepaper**

Dear *(name of complainant)*

**FIREFIGHTERS' PENSION SCHEME/ NEW FIREFIGHTERS' PENSIONS SCHEME/
FIREFIGHTERS' COMPENSATION SCHEME (as appropriate):
PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage One**

Further to my letter of *(date of issue of IDRPs Stage One: Letter 1)*....., I regret I am not yet in a position to issue you with a decision.

The reasons for the delay are *(reasons)*

I expect to be able to issue you with a decision on *(date)*.

Yours sincerely,

(Chief Fire Officer or the person specified by him/her)

This letter must be sent if a decision cannot be made within two months of receipt of a Stage One application from a complainant.

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Stage One: Letter 3***Fire and Rescue Service Headed Notepaper***

Dear *(name of complainant)*

**FIREFIGHTERS' PENSION SCHEME/NEW FIREFIGHTERS' PENSION SCHEME/FIREFIGHTERS' COMPENSATION SCHEME *(as appropriate)*: PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage One**

I have considered your application received on *(date)*.... for a decision to be made under Section 50 of the Pensions Act 1995 in respect of your disagreement referred to in the application.

My decision is as follows:

Give a statement of the decision and make reference to any legislation (including the relevant pension or compensation scheme orders) relied upon for the decision and also including, if a discretion has been exercised under the scheme, a reference to the provisions of the scheme under which the discretion is conferred.

If you are not content with this decision, you have a right to apply for reconsideration of the disagreement by the Fire and Rescue Authority *(complete with appropriate reference to the committee or individuals who will be responsible for Stage 2 consideration)* no later than six months from the date of this notice. A form designed for this purpose can be obtained from *(complete as appropriate)*.

TPAS (the Pensions Advisory Service) is available to assist members and beneficiaries of pension schemes in connection with any difficulty with a scheme which remain unresolved. TPAS can be contacted at: 11, Belgrave Road, London, SW1V 1RB; Telephone 0845 6012923

Yours sincerely,

(Chief Fire Officer or the person specified by him/her)

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Annex 2

Stage Two: Application

If a person is dissatisfied with the decision of the Chief Fire Officer or the person specified by him at Stage 1 of the IDRPs, an application may be submitted by that person (or nominated representative) for the decision to be confirmed or replaced by the decision of elected members of the fire and rescue authority. The authority may provide for decisions to be taken by or on their behalf by one or more of their number.

To theFire and Rescue Authority

1. I am applying for reconsideration of the decision ofmade under section 50 of the Pensions Act 1995. I understand that the Fire and Rescue Authority will either confirm the decision or replace it.
2. I understand that an application may not be made where, in respect of the matter:
 - A notice of appeal has been issued under Rule H2 of the Firefighters' Pension Scheme 1992, Part 8, rule 4 of the New Firefighters' Pension Scheme 2007 or Part 6, rule 2 of the Firefighters' Compensation Scheme 2007 (appeal to a board of medical referees against a decision on an issue of a medical nature), or
 - Proceedings in respect of this dispute have begun in any court or tribunal, or
 - The Pensions Ombudsman has commenced an investigation into a complaint or a dispute referred to him.
3. I attach a copy of the notice of the decision referred to in paragraph 1 and a statement of the reason(s) for dissatisfaction with that decision.

Complete in all cases (in Block capitals)

Full name of Scheme member
 Role and employment reference
 Address of Scheme member

 Member's date of birth Member's National Insurance No.

Complete if complainant is not a Scheme member (in Block Capitals)

Full name of complainant
 Address for correspondence

 Relationship of complainant to Scheme member (if relevant)
 Signature of complainant (or representative) Date

Nature of disagreement

Give a statement of the nature of the disagreement with the decision made by the Chief Fire Officer or the person specified by him. If necessary, continue details on to another page and attach the application form with any supporting documents.

Signature of complainant (or representative)

Date

Stage Two: Letter 1**Fire and Rescue Authority Headed Notepaper**

Dear *(name of complainant)*

FIREFIGHTERS' PENSION SCHEME/NEW FIREFIGHTERS' PENSION SCHEME/FIREFIGHTERS' COMPENSATION SCHEME (as appropriate): PENSIONS ACT 1995, SECTION 50

Internal Dispute Resolution Procedures: Stage Two

Your application for a reconsideration of a decision dated made under Section 50 of the Pensions Act 1995 by *(complete as appropriate)* was received on

The Fire and Rescue Authority or one or more of their number will consider the matters raised by your application and will confirm or replace that decision under Section 50 of the Pensions Act 1995 within two months from the date your application was received.

If, for any reason, the Authority/the members of the Authority *(complete as appropriate)* are unable to issue you with a decision within this time-scale you/and your representative *(complete as appropriate)* will be sent:

- an interim reply;
- the reasons for the delay; and
- an expected date for the issue of the decision.

TPAS (the Pensions Advisory Service) is available to assist members and beneficiaries of pension schemes in connection with any difficulty with a scheme which remain unresolved. TPAS can be contacted at: 11, Belgrave Road, London, SW1V 1RB; Telephone 0845 6012923

Yours sincerely,

Secretary to the Fire and Rescue Authority

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Fire and Rescue Authority Headed Notepaper

Dear *(name of firefighter)*

**FIREFIGHTERS' PENSION SCHEME/NEW FIREFIGHTERS' PENSION SCHEME/FIREFIGHTERS' COMPENSATION SCHEME (as appropriate): PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage Two**

Further to my letter of, I regret *the Fire and Rescue Authority/ members of the Fire and Rescue Authority appointed to consider the matter (as appropriate)* are not yet in a position to issue you with a decision.

The reasons for the delay are (reasons)

The panel expect to be able to issue you with a decision on *(date)*

Yours sincerely,

Secretary to the Fire and Rescue Authority

This letter must be sent if a decision cannot be made within two months of receipt of a Stage Two application from a complainant.

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Stage two: Letter 3**Fire and Rescue Authority Headed Notepaper**

Dear *(name of complainant)*

**FIREFIGHTERS' PENSION SCHEME/NEW FIREFIGHTERS' PENSION SCHEME/FIREFIGHTERS' COMPENSATION SCHEME (as appropriate): PENSIONS ACT 1995, SECTION 50
Internal Dispute Resolution Procedures: Stage Two**

The Fire and Rescue Authority/members of the Fire and Rescue Authority (as appropriate) have considered your application received on (date)..... for reconsideration of the disagreement which was the subject of a decision made by the Chief Fire Officer/by the person specified by the Chief Fire Officer (as appropriate) under Section 50 of the Pensions Act 1995, as indicated in the notice of decision dated (date).....

The decision of the panel, made under Section 50 of the Pensions Act 1995, is as follows:

Give a statement of the decision and an explanation as to whether, and if so to what extent, that decision either confirms or replaces the decision made by the Chief Fire Officer or the person specified by him/her.

Refer to any legislation, including the FPS, NFPS or FCS relied upon for the decision and also including, if a discretion has been exercised under the Scheme, a reference to the provisions of the Scheme under which the discretion is conferred.

If you remain dissatisfied.

- TPAS (the Pensions Advisory Service) is available to assist members and beneficiaries of pension schemes in connection with any difficulty with a scheme which remain unresolved. TPAS can be contacted at:11 Belgrave Road, London, SW1V 1RB; Telephone 0845 6012923
- the Pensions Ombudsman, appointed under Section 145(2) of the Pension Schemes Act 1993 may investigate and determine any complaint or dispute of fact or law in relation to a scheme made or referred in accordance with that Act. He can be contacted at:11 Belgrave Road, London, SW1V 1RB; Telephone 020 7834 9144

Yours sincerely,

Secretary to the Fire and Rescue Authority

If the application was made by a representative of the complainant, ensure this letter is copied to the representative.

Appendix B

RESTRICTED - INTERNAL DISPUTE RESOLUTION PROCEDURES

Cases considered (stage 2) in the period 1 April 2019 – 31 March 2020

| Issue | Date stage 1 outcome issued | Decision summary | Date stage 2 outcome issued | Decision summary |
|---|-----------------------------|---|-----------------------------|---|
| Eligibility for pension purposes of the payments made in respect of the duties performed under the role of Urban Search & Rescue (USAR) | Sept 2019 | Welsh Government funded service. | Feb 2020 | Welsh Government funded service. |
| Rule B5C | Feb 2019 | The new Rule B5C was not implemented with effect from 1 July 2013. Following identification of the error payments were adjusted to the correct level. | July 2019 | The new Rule B5C was not implemented with effect from 1 July 2013. Following identification of the error payments were adjusted to the correct level. |

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FIREFIGHTER PENSION SCHEMES - SCHEME COMPARISONS

SUMMARY

This report highlights the differences between the Firefighter Pension Schemes, and is presented for information.

RECOMMENDATION

That Members note the differences as it is helpful to understand these in the context of a range of issues including how each of the regulations impact pensionable pay. These are contained in the table at Appendix A attached to the report.

1. BACKGROUND

- 1.1 Periodically the Government introduces new reforms to help improve the way that pensions are run. Pension scheme rules may be amended to suit the changing circumstances of employment of their members, or to reflect changes in law.
- 1.2 It is helpful for Members to understand the differences between the various Firefighter Pension Schemes as this will support the Local Pension Board in its role as advisor to the Fire & Rescue Authority (FRA) as it manages and administers the Schemes.

2. ISSUES

- 2.1 There are no immediate issues to report.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no additional financial issues arising as a result of this report. However, there may be financial implications arising out of a dispute.

4. EQUALITY RISK ASSESSMENT

- 4.1 There are no immediate or long term adverse impacts on any individual or group of personnel arising from this particular report.

5. RECOMMENDATIONS

- 5.1 That Members note the differences as it is helpful to understand these in the context of a range of issues including how each of the regulations impact pensionable pay. These are contained in the table at Appendix A attached to the report.

| | |
|--|---------------------------------|
| Contact Officer: | Background Papers: |
| ACO Alison Reed Director of People Services | Appendix A – Scheme Comparisons |

FIREFIGHTERS' PENSION SCHEMES

Comparison between 1992, 2007, 2015 (Wales)
& Modified Schemes

| Feature | FPS 1992 | FPS 2007 | FPS (Wales) 2015 | Modified |
|--|---|--|--|--|
| Basis of pension | Final salary | Final salary | Career Average Revalued Earnings (CARE) | Final salary |
| Accrual rate | 1/60 th (2/60 th after 20 years) | 1/60 th | 1/61.4 th | 1/45 th |
| Benefit/Membership cap | 40/60 th | 45 years | None | 30 years |
| Revaluation rate | n/a | n/a | Average Weekly Earnings | n/a |
| Contribution rate | Tiered 2015/16 11.0%-17.0% | Tiered 2015/16 8.5%-12.5% | Tiered 2015: 10.0%-14.5% | Tiered 2015/16: 11.0%-17.0% |
| Normal pension age | 55 | 60 | 60 – subject to regular review | 55 |
| Deferred retirement age | 60 | 65 | Linked to State Pension Age | 60 |
| Lump sum option | Age related commutation factors | Commute £1 of pension for £12 lump sum | Commute £1 of pension for £12 lump sum | Age related commutation factors |
| Ill-health provision | Banded on the length of service | Lower tier: 1/60 th accrued membership Higher tier: basic plus enhancement | Lower tier: 1/59.7 th accrued membership Higher tier: basic plus enhancement | Lower tier: 1/60 th accrued membership Higher tier: basic plus enhancement |
| Indexation of pension in payment | Consumer Price Index (CPI) | CPI | CPI | CPI |
| Cohabiting partner pension | No | Yes | Yes | Yes |
| Death in Service Death Grant | 2 x pensionable pay | 3 x pensionable pay | 3 x pensionable pay | 2 x pensionable pay |
| Death Grant where member dies within 5 years of retirement | No | Yes | Yes | Yes |
| Widow(er)s pension ceases on re-marriage | Yes | No | No | No |



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AGENDA ITEM NO 11

Report – Training Session for Members

Author – Kim Jeal

To be Presented via a Presentation on the Day

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AGENDA ITEM NO 12

**Appointment of Deputy Chairperson of the
Local Pension Board Committee**

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**FORWARD WORK PROGRAMME FOR
LOCAL PENSION BOARD 2020/2021**

| Report Name | Purpose of piece of work | Lead Director/ Contact Officer | Expected Date of Decision/ Submission/ Review | Progress |
|--|--|---|--|-----------------|
| Report on Scheme Data for the Firefighters Pension Scheme | To provide the Local Pension Board with FACTUAL STATS, Scheme Membership data and an update position on the fund. | ACO People Services Contact Officer: Alison Reed | 6 July 2020 | On Agenda |
| Report on Amendments to the Local Pension Board – Terms of Reference and Delegated Authorities | The purpose of the report is to set out the terms of reference for the LPB and the establish the relationship between the Board and the Fire Authority | ACO People Services Contact Officer: Alison Reed | 6 July 2020 | On Agenda |
| Report on the Local Pension Board – Members Handbook | The purpose of this Handbook is to assist you in your role as a member of the Local Pension Board and to familiarise you with the key | ACO People Services Contact Officer: Alison Reed | 6 July 2020 | On Agenda |

| Report Name | Purpose of piece of work | Lead Director/ Contact Officer | Expected Date of Decision/ Submission/ Review | Progress |
|---|---|--|--|-----------------|
| | aspects of your role in the context of the Scheme(s). | | | |
| Review of Key Performance Indicators | To update Members | ACO People Services Contact Officer: Ian Traylor, RCT Pensions Officer | 6 July 2020 | On Agenda |
| Update on Protected Pension Age (PPA) | To update Members | ACO People Services Contact Officer: Alison Reed | 6 July 2020 | On Agenda |
| Update on Internal Dispute Resolution Procedures (IDRP) | To update Members | ACO People Services Contact Officer: Alison Reed | 6 July 2020 | On Agenda |
| Scheme Comparisons | To inform Members | ACO People Services Contact Officer: Alison Reed | 6 July 2020 | On Agenda |

| Report Name | Purpose of piece of work | Lead Director/ Contact Officer | Expected Date of Decision/ Submission/ Review | Progress |
|--|--|---|--|-----------|
| Training Session for Members | To update Members | ACO People Services Contact Officer: Kim Jeal | 6 July 2020 | On Agenda |
| Report on Local Pension Board – Training Framework, to incorporate information from the TNA exercise | The purpose of the Training Framework is to establish a methodology for ensuring Members are appropriately trained and knowledge and understanding is maintained . | ACO People Services Contact Officer: Alison Reed | 19 October 2020 | |
| Report on the Firefighters Pension Scheme 2015 Taper Protections – Legal Challenge | To update the Local Pension Board on the legal appeal to the FBU challenge to the Employment Tribunals judgement to reject the age discrimination claims brought by the Fire Brigades Union. | ACO People Services Contact Officer: Alison Reed | 19 October 2020 | |

| Report Name | Purpose of piece of work | Lead Director/ Contact Officer | Expected Date of Decision/ Submission/ Review | Progress |
|---|-----------------------------------|--|--|-----------------|
| Update report on publication of Annual Benefits Statement | To provide Members with an update | ACO People Services Contact Officer: Alison Reed | 19 October 2020 | |
| Training Session for Members | To update Members | ACO People Services Contact Officer: Kim Jeal | 19 October 2020 | |
| Key Performance Indicators | To update Members | ACO People Services Contact Officer: Ian Traylor, RCT Pensions Officer | 25 January 2021 | |
| Members Handbook | To update Members | ACO People Services Contact Officer: Alison Reed | 25 January 2021 | |

| Report Name | Purpose of piece of work | Lead Director/ Contact Officer | Expected Date of Decision/ Submission/ Review | Progress |
|--|--------------------------|---|--|----------|
| Local Pension Board Training Framework | To update Members | ACO People Services Contact Officer: Alison Reed | 25 January 2021 | |
| Training Session for Members | To update Members | ACO People Services Contact Officer: Alison Reed | 25 January 2021 | |

Dates of meetings – 6 July, 2020, 19 October, 2020, 25 January, 2021

ACO Alison Reed – Director of People Services

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AGENDA ITEM NO 14

**To consider any items of business that the Chairperson deems urgent
(Part 1 or 2)**

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| | | |
|-----|---|----|
| 1. | Apologies for Absence | |
| 2. | Declarations of Interest | |
| | Members of the Fire & Rescue Authority are reminded of their personal responsibility to declare both orally and in writing any personal and/or prejudicial interest in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Fire & Rescue Authority's Standing Orders and the Members Code of Conduct. | |
| 3. | Chairperson's Announcements | |
| 4. | To Receive the Minutes of:- | |
| | <ul style="list-style-type: none"> • Local Pension Board Committee Meeting held on 20 January 2020 | 3 |
| 5. | Local Pension Board Terms of Reference (ToR) | 7 |
| 6. | Local Pension Board – Members Handbook | 17 |
| 7. | Local Pension Board – Firefighter Pensions Administration Key Performance Indicators and Administration Activity | 41 |
| 8. | Update on Protected Pension Age (PPA) – To be Presented via a Verbal Update on the Day | 49 |
| 9. | Internal Dispute Resolution Procedures (IDRP) | 51 |
| 10. | Firefighter Pension Schemes – Scheme Comparisons | 69 |
| 11. | Training Session for Members – To be Presented via a Presentation on the Day | 73 |
| 12. | Appointment of Deputy Chairperson of the Local Pension Board Committee | 75 |
| 13. | Forward Work Programme 2020-2021 | 77 |
| 14. | To consider any items of business that the Chairperson deems urgent (Part 1 or 2) | 83 |