

Firefighters' Pension Scheme Advisory Board for Wales

04 March 2021

Virtual Meeting via Microsoft Teams

Note of Meeting

Present

Michael Prior

Independent Chair

Employee Members

Mark Rowe

Fire Brigades Union

Cerith Griffiths

Fire Brigades Union

Richie Fairhead

Fire Leaders' Association

Ade Robinson

Fire Officers' Association

Tristan Ashby

Fire and Rescue Services Association

Employer Members

Cllr Edward Thomas

Mid and West Wales FRA

Cllr Bryan Apsley

North Wales FRA

Cllr Pam Drake

South Wales FRA

Officers in attendance

Kevin Jones

Mid and West Wales FRA

Helen MacArthur

North Wales FRA

Alison Reed

South Wales FRA

Observers

Mark Miles

Mid and West Wales FRA

Sarah Tilman

Mid and West Wales FRA

Chris Barton

South Wales FRA

Others in attendance

Clair Alcock

Local Government Association

Sam Watts

Government Actuary's Department

Oscar Castro Lado

Government Actuary's Department

WG Officials

Steve Pomeroy

Welsh Government

Kerry Citric

Welsh Government

Cerys Myers

Welsh Government

Natalie Spiller

Welsh Government

Apologies

Sean Starbuck

Fire Brigades Union

1. AGENDA ITEM 1 – WELCOME AND INTRODUCTIONS

1.1 Michael Prior welcomed everyone to the meeting and explained that the meeting had been split into two sections. The first section was to cover an overview of the Valuation process and the cost cap element. The second section was to follow the format of the usual SABW meetings but was to heavily focus on HM Treasury's response to the consultation on changes to the 2015 scheme transition arrangements.

1.2 The Chair welcomed Sam Watts, and Oscar Castro Lado (Government Actuary's Department) and invited them to provide a presentation on the Valuation. Sam Watts and Oscar Castro Lado guided members through the mechanism and operation of the scheme, including the role of the SABW, throughout the valuation process.

1.3 Following the presentation, KC explained that Treasury's revised draft directions, and the interim 2016 Valuation results were to be published imminently. The Welsh Government had agreed, with Home Office and Scottish Government, to share the directions and Valuation results with SABW in alignment with other Fire SABs. An additional meeting of the SABW would be arranged for the end of March.

1.4 The Chair extended a welcome to Cllr Drake, who had been appointed as the employer representative for South Wales FRA and Mark Rowe, attending on behalf of Sean Starbuck (FBU). The Chair also welcomed Clair Alcock (Local Government Association) and Steve Pomeroy (Welsh Government).

1.5 Apologies for absence were received from Sean Starbuck (FBU). The Chair wished Sean a speedy recovery on behalf of the SABW.

1.4 Members confirmed that they had no conflicts of interest to declare.

2. AGENDA ITEM 2 – NOTES FROM LAST MEETING AND MATTERS ARISING

2.1 The Chair referred to the minutes of the previous meeting held on 30 September and invited members to agree the minutes for accuracy. No comments were made and the minutes were agreed as a true record.

2.2 The majority of action points from the last meeting had either been completed or were covered by the agenda. An update on the outstanding issues from earlier meetings was provided.

2.3 There were three outstanding action points :-

- **Ill health retirement** – Outstanding action for some time because it could not be resolved until there was clarity on ill-health as part of Transitional Protection Remedy.
- **SABW's views on scheme flexibilities to Welsh Ministers** - The action related to the impact of tax allowances on members in front line services. It

was noted that there was no evidence to indicate that members were retiring early or avoiding promotion because of Annual Allowance but it was believed that this was an issue that might emerge in the coming years. Following the last meeting, the Welsh Government had circulated examples of potential annual allowance breaches produced by GAD, to provide examples for the SABW to consider. The Welsh Government had welcomed comments on the report which supported the concerns previously expressed. Welsh Government officials had deferred the action due to the need to focus on other prioritising workloads, including COVID and the Transitional Protection Remedy.

- **Public Sector Equality Duty** – the action related to FRA equality data collected for their staff and whether it could be broken down by scheme membership. All three FRAs had responded; only one of the three was able to break their data down in this way.

3. AGENDA ITEM 3 – TREASURY RESPONSE TO CONSULTATION CHANGES TO 2015 SCHEME TRANSITION ARRANGEMENTS

3.1 The Chair referred to the publication of Treasury's consultation [response](#) on 4 February. The paper presented to the SABW had included an Annex which had provided a summary of the decisions set out in the consultation response. SP was invited to provide an update on proposed next steps of the Welsh Government and the SABW.

3.2 SP informed members that occupational pensions was a non-devolved matter. This meant that the Treasury were responsible for setting the the broad policy direction on retrospective and prospective remedy in primary legislation. Welsh Government were responsible for setting out the detailed application of the primary legislation into scheme specific rules through secondary legislation. Treasury had set 2 key dates in the consultation response that would be set out in primary legislation: - all members to be transferred into the 2015 Scheme from April 2022, and secondary legislation and administration for retrospective remedy to be introduced by October 2023 at the latest. Welsh Government was working with the Treasury along with other UK Government Departments and devolved administrations to understand the policy and proposed legislation in order to develop and consult on the draft regulations required to make the necessary changes for the Fire schemes in Wales. A series of Provision Definition Documents (PDDs) were being developed for each policy area (e.g. eligibility, CETVs, divorce, survivor benefits etc.) to support consistency in the details for scheme regulations. The PDDs would be cleared by Treasury and drafts made available by late Spring / early Summer.

3.3 The Welsh Government proposed establishing a small sub group of the SABW to discuss and relay any necessary feedback from a scheme- specific perspective. As a minimum, the sub group would need to include officer level representation from at least one FRA, from the scheme administrators, and a LGA pensions' representative (if possible). Union representation was also welcomed. The sub group would report back to SABW. It was anticipated that the sub group

would use these PDDs as the basis for discussion about firefighter scheme specific issues.

3.4 The Chair invited members to nominate representatives to sit on the proposed sub-group, noting that expert knowledge of the running of the schemes was essential. The FBU wished to be represented. KJ suggested that the FRAs discuss representation from an employer perspective at the next All Wales Pension Group meeting scheduled on 19 March.

4. AGENDA ITEM 4 – INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)

4.1 At the July 2019 meeting, members were made aware of a number of discussions that had taken place in Scotland and England in respect of the IDRP appeals process. Scotland had moved to a one stage process in April 2018. Discussions from the Scheme Advisory Board in England (SABE) had indicated that they wished to retain the existing two stage IDRP process and timings in England. There was a strong view amongst SABW members that the existing two stage IDRP process and timings should also be retained in Wales. It was noted though that the current guidance did need updating.

4.2 Revised guidance was now provided for SABW's consideration. This mirrored the guidance recently issued by the LGA, but reflected the Welsh context in terms of references to scheme legislation. The revised guidance maintained the two stage process but included updated references to the TPR code of practice and the Money and Pension Service. It also indicated that the nominated panel may include elected members or any other suitable representatives.

4.3 The SABW reiterated their previous position that they wished to retain the existing IDRP process and timings in Wales. MR advised that the FBU had dealt with IDRP cases using both a one stage and two stage process. The FBU favoured the two stage approach.

4.4 Members agreed the amended guidance which the Welsh Government would now issue to FRAs via circular.

5. AGENDA ITEM 5 – UPDATES FROM PENSION BOARDS

English Scheme Advisory Board

5.1 Clair Alcock (CA) provided feedback on the approach taken by the Scheme Advisory Board in England (SABE). The SABE would be writing to the Treasury to acknowledge the consultation and to reiterate the SABEs view on the implications of some of the Treasury's decisions, including the default position for members of the 2006 Scheme, and the treatment of tapered members.

5.2 The SABE would be considering the various work streams required to implement the remedy. CA advised that training was being developed for LPB's, scheme administrators and software providers to ensure consistency on cascading information to scheme members. CA added that work had begun on the remedy

data collection process and the LGA had provided guidance and templates to FRAs under [Bulletin 42](#).

North Wales FRA

5.3 North Wales FRA had held two virtual meetings of their Local Pension Board in October and January. The continuation of virtual meetings had enabled scheme administrators to attend the meetings. The scheme administrators remained concerned about the implementation of software changes as a result of the McCloud remedy. The LPB had also discussed the implications of the judgment in the case of Booth and Others.

South Wales FRA

5.4 South Wales FRA had continued to utilise digitalised meetings and had reshaped meeting agendas to include short sessions to upskill LPB members. A review of a LPB Members Handbook had taken place and a Service Level Agreement had been set up between the FRA and Scheme Administrator. An extraordinary meeting of the LPB had taken place to finalise the employer's response to the Treasury's consultation.

Mid and West Wales FRA

5.5 Mid and West Wales FRA confirmed that Ian Coleman had been appointed as the new chair to the LPB. The LPB had considered training requirements of members and had provided a presentation on updates to General Data Protection Regulations and Cyber Security. The next LPB was to take place in March.

5.6 The Chair said that he would be grateful for the Welsh LPB's and SABW to have access to any training that the LGA were to provide. He added that if members were to identify any bespoke training required then consideration would be given to holding an All Wales training event.

AGENDA ITEM 6 – SCHEME OPT OUT DATA

6.1 Members had been provided with updated opt out data based on the latest returns from FRAs. Based on the data collected for financial year 2020-21, there had been 30 opt outs, of which; 2 were new starters and 7 were existing employees who had opted out following auto enrolment. All opt out members were male.

6.2 There were no comments or issues raised with the data presented.

AGENDA ITEM 7 - ANY OTHER BUSINESS AND DATE OF NEXT MEETING

7 **Firefighters' Pension Scheme Amendments** – members were informed that the Firefighters' Pension Schemes and Compensation Scheme (Wales) (Amendment) Regulations 2020 had been laid and had come into force on 23 February 2021. Details of the amended regulations had been issued to members under Welsh Circular [W-FRSC\(2021\) 04](#).

7.1 The Chair reiterated that the next meeting would be arranged to take place towards the end of March following receipt of the Treasury's draft directions and GADs revised cost cap results for the 2016 Valuation.