

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

**Local Pension Board
Annual Report
2023-24**

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1.0 Introduction

This is the Annual Report of the North Wales Fire and Rescue Authority Local Pension Board (the Board), covering the period from 1 April 2023 to 31 March 2024. This report includes commentary on the following:

- Details of any conflict of interest that have arisen in respect of Board members;
- Details of training received and identified training needs for Board members;
- A summary of the work undertaken by the Board during 2023/24;
- Areas of concern or risk reported to or raised by the Board; and
- The forward work programme for 2024/25.

2.0 Roles and Functions

In accordance with Section 5 and Section 30 (1) of the Public Services Pensions Act 2013 and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the Board was established in April 2015. The role and remit of the Board is to assist the Scheme Manager (North Wales Fire and Rescue Authority, "the Authority") to secure compliance with:

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

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

3.0 Membership and meetings of the Board

At its meeting of 23 January 2024, the Board membership increased to 10 as follows:

- Five employer representatives comprising of three members of the Authority, the Clerk to the Authority (or nominated deputy) and Treasurer of the Authority.

- Five employee representatives – four of whom are from each representative body officially associated with the Authority and one representing the retained duty system.

During the 2023/24 financial year there were a number of resignations from the Board and new appointees. A summary of the membership is provided below:

Name	Role	Representing	Dates (aligned to meeting dates for part year)
Bryan Apsley	FRA Member	Employer	Full year
Dafydd Edwards	Authority Treasurer	Employer	Full year
Gareth Owens	Monitoring Officer	Employer	Full year
John Brynmor Hughes	FRA Member	Employer	Full year
Richard Fairhead (Chair to 28/4/24)	Fire Leaders' Association	Employee	01/04/2023-28/04/2023
Stuart Stanley	Fire Brigades Union	Employee	01/04/2023-24/10/2023
Matt Ryan	Fire Brigades Union	Employee	01/04/2023-18/03/2024
Stuart Millington (Chair from 28/04/23 – 12/02/24)	Fire Leaders' Association	Employee	01/04/2023-12/02/2024
Gwynfor Owen	FRA Member	Employer	07/08/2024-present
Dawn Docx	Fire Leaders' Association	Employee	13/02/2024-present
Paul Kay (Chair 23/01/24)	Fire Officers' Association	Employee	23/01/2024-present
Geraint Evans	RDS Representative	Employee	23/11/2023-present
Terry Ledden	Fire Brigades Union	Employee	08/01/2024-present

In addition to Local Pension Board members, the following key officers support the Board and attend Board meetings:

- Assistant Chief Fire Officer, Finance and Resources; and
- Pensions Manager

Chair of the Board

The Chairperson of the Board is rotated every two years between a member representing employers and those representing scheme members.

ACFO Stuart Millington was elected as Chair for the period 2023/24, representing the Fire Leaders' Association. The Chair is also nominated to sit on the National Firefighters' Pension Scheme Advisory Board for Wales.

The Board was scheduled to meet on four occasions during the 2023/24 financial year and meetings were held on the following dates:

- 28 April 2023
- 11 July 2023
- 24 October 2023
- 23 January 2024

4.0 Conflicts of Interest Policy

The Public Service Pensions Act 2013 (the Act) requires that a member of a pension board does not have a conflict of interest. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of a pension board. The Act is clear that actual membership of one of the Firefighter Pension Schemes is not in itself a conflict of interest, so would not preclude a scheme member from serving on the Board.

The Board has a policy for the management of potential conflicts in order to ensure that they do not become actual conflicts and all members of the Board are familiar with the policy. In addition, conflicts of interest is a standing item on all Board agendas and any interests noted by Members are recorded so that appropriate action can be taken to manage the conflict.

There have been no declarations made by any Member, advisor or attendee during the relevant period.

A copy of the Conflict of Interest policy can be found here:

[Conflict of Interest Policy](#)

5.0 Knowledge and Understanding

It is a statutory requirement of the Public Service Pensions Act 2013 that members of the Local Pension Board should have the capacity to become conversant with, and develop a knowledge of, detailed pension related issues to effectively carry out their duties.

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

A Board member should have an understanding of what is relevant to their role in the following areas:

- The Firefighter Pension Scheme regulations;
- Other legislation relating to the governance and administration of the schemes;
- Requirements imposed by the Pensions Regulator; including
- The standards and expectations set out in any relevant code of practice issued by the Pensions Regulator.

Upon appointment, Members are required to complete the online training modules available on the Pensions Regulator's website. In addition, the Authority provides both induction training to new Board members and ongoing training sessions during Board meetings for all Members to assist them in undertaking their role.

The Scheme Manager keeps appropriate records of the learning activities provided to individual Members and the Board as a whole. Members of the Board are encouraged to identify their own training needs in order that the training provided remains relevant and appropriate. Training is provided through the pensions regulator's public sector toolkit, through external events such as those provided by the LGA and also through in-house training.

A schedule detailing the training undertaken by Board members during 2023/24 is detailed below:

Date	Topics Covered
28 April 2023	Funding of the pension scheme
11 July 2023	Valuation of the pension scheme
24 October 2023	Changes to the scheme following the age discrimination
28 February 2024	Scheme overview

6.0 Work Programme 2023/24

The Board met on four occasions during the financial year and the scope its work was defined by the Terms of Reference. The Board approves and reviews the Terms of Reference on an annual basis and the most recent version was approved at the meeting of 11 July 2023. The Terms of Reference can be found via the following link:

[Local Pension Board - Fire and Rescue Authority - North Wales Fire And Rescue Service \(gov.wales\)](https://www.gov.wales/government/organisations/local-pension-board)

During the period 1 April 2023 to 31 March 2024 the following specific matters were considered by the Board:

- Review and approval of the Terms of Reference;
- Consideration of the national legal challenge relating to the transitional pension scheme arrangements (McCloud Judgment);
- Consideration of the legal matter relating to the pension arrangements for on call firefighters (O'Brien Judgment);
- An update on the Pension Fund following the 2022/23 audited accounts;
- Confirmation of the outcome of the 2020 GAD valuation;
- Knowledge and training update;
- Updates on Pension Ombudsman cases; and
- An update on the risks associated with the scheme and revision to the risk register.

Each agenda also includes the following standing items:

- Declaration of Interest;
- Minutes of last meeting;
- Firefighters' Pension Schemes Update Report which focuses on membership and internal complaints and cases referred to the Pensions Ombudsman;
- Administrators Update Report (Dyfed Pension Fund) confirming compliance with Welsh Government circulars and data quality;
- An update on legal matters affecting the scheme;
- Scheme Advisory Board Update;
- Training for members of the LPB;
- Risk Register; and
- Matters for escalation to full FRA.

Since the Local Firefighter Pension Board was set up in 2015, the work of the Board has been shaped by the Board members and by officers supporting the Board. Some regular reports have been developed and these are:

- The Firefighters' Pension Schemes Update Report which provides the Board with the latest information on areas of significant pension work, and includes both local and national issues. As well as enhancing the knowledge and understanding of Board members, this regular report serves to prompt discussion at the Board about the impact of issues on pension Scheme members and about how workloads are being managed. This helps to achieve the Board's purpose of securing effective governance and administration;
- The Dyfed Pension Fund Update Report which is produced by the administrators and provides assurance that the scheme is being properly administered. As well as providing regulatory updates, the report focuses on specific workload issues, such as, the Guaranteed Minimum Pension reconciliation, data quality, appeals, breaches and activity levels on the 'My Pensions Online' tool; and
- Specific areas of the Risk Register which are reviewed regularly by the Scheme Manager and is presented to the Board at each meeting, with any amendments highlighted. This allows the Board to keep track of the key risks and the control measures designed to manage those risks.

More detail is available in the agendas and minutes of the above Board meetings which can be accessed via following link: [Local Pension Board](#)

8.0 Work Programme 2024/25

The Firefighters' Pension Scheme Board maintains a work programme which is considered at every meeting. Now that the Board has completed a number of training activities, it will begin to select topics for in-depth analysis with a view to making recommendations to the Authority as and when necessary.

The Work Programme for 2024/25 is as set out below:

Local Pension Board Forward Work Plan 2024/25

Agenda item	Meeting 1	Meeting 2	Meeting 3	Meeting 4
Review of membership and confirmation of meeting dates	X			
Service update report	X	X	X	X
Administrator's update report	X	X	X	X
Legal challenges and regulatory matters	X	X	X	X
Scheme Advisory Board Wales	X	X	X	X
Risk Register	X	X	X	X
Member Induction	This is ongoing as new members are appointed to the LPB			
Training needs analysis	X			
Training update	X	X	X	X
The Pensions Regulator – aspects of good governance		X	X	X
Annual Report	X			
Discretionary Policy update			X	
Review of Terms of Reference				X
Items of significance to be escalated to Fire and Rescue Authority	X	X	X	X

Terms of Reference for the Local Pension Board of North Wales Fire and Rescue Service

1. This document sets out the terms of reference for the Local Pension Board of North Wales Fire and Rescue Service, Firefighters' Pension Scheme as required by the Public Service Pensions Act 2013 and the Local Government (Amendment) (Governance) Regulations 2015.

Scheme Management

2. North Wales Fire and Rescue, as administering authority, is the Scheme Manager. Its functions are discharged in accordance with the Authority's scheme of delegation by the Treasurer and Chief Fire Officer.

The Local Pension Board

3. The role of the Local Pension Board is to assist North Wales Fire and Rescue Authority (the Authority), as the administering authority:
 - to secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme;
 - to secure compliance with requirements imposed in relation to the scheme by the Pensions Regulator;
 - ensure the effective and efficient governance and administration of the Firefighters' Pension Schemes for Dyfed Pension Fund;
 - the role of the Board will be oversight of these matters and not decision making;
 - in undertaking any relevant work as requested; and
 - in such other matters as the scheme regulations may specify.
4. The Local Pension Board will ensure that the Code of Practice on governance and administration issued by the Pensions Regulator is complied with. The Board will also ensure that it complies with the knowledge and understanding requirements in the Pensions Regulator's Code of Practice.
5. The Local Pension Board is accountable to the Pensions Regulator, the National Scheme Advisory Board and the Administering Authority in their role as Scheme Manager.

6. The principal functions of the Local Pension Board shall include, but not be limited to:
 - reviewing decision making processes, policies and procedures to ensure they are compliant with relevant Regulations;
 - seeking assurance that these are followed and adhered to with regard to Pensions decisions;
 - seeking assurance that administration performance is in compliance with the Authority's performance framework and that monitoring arrangements are adequate and robust;
 - considering the effectiveness of communication with employers and scheme members including a review of the Communication Strategy; considering and commenting on internal audit recommendations and external auditor reports.
7. Any complaint or allegation of a breach of the Regulations brought to the attention of the Local Pension Board shall be dealt with in accordance with the Code of Practice as published by the Pensions Regulator.

Frequency and Notice of Meetings

8. The Local Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively; four meetings will be scheduled during each financial year.
9. The Members' Services Officer shall give notice to all Local Pension Board members of each meeting of the Board, including the date, location and time of the meeting and shall ensure that a formal record of the Local Pension Board proceedings is maintained.
10. Papers will be provided three working days before each of the formal Local Pension Board meetings.
11. All agendas and non-confidential Local Pension Board papers and minutes of meetings will be published on NWFRA' website, together with the Board Terms of Reference and details of the Board membership.

Membership

12. The Local Pension Board shall consist of no fewer than 10 members (in total), and must include an equal balance of employer and scheme member (employee) representatives. These shall be constituted as follows:

Constituency	Definition/Constraints
Employer	To represent NWFRA
Scheme Member (employee)	To represent all members of the scheme (active, deferred and pensioner)

13. The term of office for all members of the Board will fall in line with council elections and therefore it is anticipated that the membership will remain until 2027. Members may at the end of their term, express a wish to be considered for re-election.
14. Local Pension Board members must meet key attendance and training requirements to retain their membership during this period. All members must:
 - endeavour to attend all meetings of the Board;
 - comply with the training plan produced by the Pensions Manager ; and
 - ensure compliance with the Pension Regulator's Code of Practice.
15. Each Employer Representative and Scheme Member Representative will have an individual voting right.
16. All members within the Firefighters' Pension Schemes must have an equal opportunity to be nominated for the role of member representative.
17. For the purpose of appointing employer representatives to the Board, nominations will be sought from all Fire and Rescue Authority members. The Treasurer and Monitoring Officer (or Deputy) will also provide employer representation.
18. For the purpose of appointing scheme member (employee) representatives to the Board, nominations will be requested through the Departmental Representatives and Trade Union Forum with further nominations being sought via an advert placed on the Authority's website. Where more than three nominations are received candidates will be considered, shortlisted and interviewed by a representative of the Scheme Manager who will then make recommendations to the Chief Fire Officer to formally appoint.
19. If a Local Pension Board member acting as an employer representative leaves the employment of the employer they are representing they will no longer be eligible to sit on the Board.
20. In the event of consistent non-attendance of a Board member, or for failure to meet key attendance and training requirements as set out in (13) above, the tenure of that membership will be reviewed. In the case of a member representative, this will be done by a representative of the Scheme Manager who may make recommendation for the membership to be revoked if considered necessary. In such event, there will be a right of appeal to the Chief Fire Officer prior to any recommendation. In the case of an employer representative, any such decision will be considered by the chair of the Fire and Rescue Authority.

21. If an employer or scheme member representative wishes to resign they must write to the Chief Fire Officer, giving at least one month's notice.
22. The Chairperson of the Local Pension Board will be rotated on a bi-annual basis between a member representing employers and those representing scheme members.
23. It will be the role of a representative acting as Chairperson to:
 - agree and set the agenda for a meeting of the Board
 - manage the meetings to ensure that the business of the meeting is completed in the agreed time
 - ensure that all members of the Board show due respect for process and that all views are fully heard and considered
 - strive as far as possible to achieve a consensus as an outcome
 - ensure that the actions and rationale for decisions taken are clear and properly recorded.
24. Due to the specialist nature of the work of the Board, personal attendance at all meetings is expected of all Board members with no provision for a substitute. However, deputies would be allowed, but they would be responsible for maintaining their own training to ensure they were *au fait* with pensions issues.
25. The Board may, with the approval of the Chief Fire Officer, co-opt persons who are not members to aid the Board for a period of time or for a specific task where this would provide additional skills, knowledge or experience. The co-opted members would not be permitted to vote.

Quorum

26. Six members of the Board members must be present for a meeting to be quorate. If the Chairperson is absent at a meeting and there is a quorum then the attending members must choose a Chairperson to preside over that meeting.

Knowledge and Skills

27. A member of the Pension Board must be conversant with:
 - the legislation and associated guidance of the four Firefighter Pension Schemes; and
 - any policies, procedures or decision-making processes about the administration of the Schemes adopted by NWFRA and Dyfed Pension Fund.
28. A member of the Local Pension Board must have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in Regulations.

29. It is for individual 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 Pension Board.
30. 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.
31. Pension Board members must confirm to the Pensions Manager within six months of joining the Board that they have completed the Pension Regulator training.
32. During the first meeting of the financial year, Pension Board members must consider and agree an annual training programme.

Standards of Conduct and Conflicts of Interest

33. The role of the 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. Board members will be required to observe the members' code of conduct and data protection policies of the Authority. The Board is required to always act within these terms of reference. In accordance with the Public Service Pension Act 2013 a board member must not have a financial or other interest that could prejudice them in carrying out their Board duties. This does not include a financial or other interest arising merely by virtue of membership of the FPS.
34. As such all members of the Local Pension Board will be required to declare any interests and any potential conflicts of interest in line with the requirements of the Public Service Pensions Act 2013 and the Pension Regulator's Code. These declarations are required as part of the appointment process, as well as at regular intervals throughout a member's tenure.

Reporting

35. The Board is expected to produce an annual report to the Authority which should include:
 - a summary of the work of the Local Pension Board and a work plan for the coming year;
 - details of areas of concern reported to or raised by the Board and recommendations made;
 - details of any conflicts of interest that have arisen in respect of individual Local Pension Board members and how these have been managed;
 - any areas of risk or concern the Board wish to raise with the Scheme Manager;

- details of training received and identified training needs;
- details of any expenses and costs incurred by the Local Pension Board and any anticipated expenses for the forthcoming year.

- 36 Although the Board is only required to produce a single annual report, minutes for each meeting of the Board will be published on the Authority's website.
- 37 Should the Board have concerns believed to be sufficiently serious that they should be reported at a higher level than is standard (to the Pensions Manager) they should report to the Chief Fire Officer. This may include, but not be limited to, occasions where the Board feel that previous recommendations have not been acted upon. In extreme cases such as a fundamental breach of Regulations or a fundamental failure by the Administering Authority to ensure effective governance of the fund, the Board may consider reporting to the National Scheme Advisory Board and/or the Pensions Regulator.

Remuneration

- 38 Remuneration for members of the Local Pension Board will be limited to a refund of actual expenses incurred in attending Board meetings and training. It is expected that employers of board members will provide appropriate capacity to allow the member to perform this role within their normal working day without any reduction to pay.
- 39 Expense claims should be submitted no later than one month following the incursion.

Publication of Local Pension Board Information

- 40 Up to date information will be posted on the Authority website showing:
- names and information of the Local Pension Board members;
 - how the scheme members and employers are represented on the Local Pension Board;
 - responsibilities of the Local Pension Board as a whole;
 - full terms of reference and policies of the Local Pension Board and how they operate; and
 - Local Pension Board appointment process.

Review

- 41 These terms of reference were formally adopted by the Board at its first meeting on 20 April 2015 and are reviewed annually, or upon statutory or regulatory changes.
- 42 The Chief Fire Officer is authorised to make minor amendments, consequential upon statutory or regulatory change, or to update arrangements consequential on other external factors.