

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

**Local Pension Board  
Annual Report  
2020/21**

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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 2020 to 31 March 2021. 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 2020/21;
- areas of concern or risk reported to or raised by the Board; and
- the forward work programme for 2021/22.

## **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 North Wales Fire and Rescue Authority Local Pension Board (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) 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**

During the reporting period, the Board comprised of 10 members as follows:

- Five employer representatives comprising of three members of North Wales Fire and Rescue Authority, the Clerk to the Authority (or nominated deputy) and Treasurer of the Authority.
- Five employee representatives – all of whom are from each representative body officially associated with North Wales Fire and Rescue Authority (the Authority).

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

The term of appointment for all members currently falls in line with council elections.

Membership ceased for two members during the period; following an appointment process in line with the Terms of Reference, both posts were filled at the end of the reporting period.

### **Chair of the Board**

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

Councillor B Apsley was elected as Chair for the period 2019-2021. The Chair is also nominated to sit on the National Firefighters' Pension Scheme Advisory Board.

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

## **4.0 Conflicts of Interest Policy**

The Public Service Pensions Act 2013 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.

[Click to see the 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 and be able to identify and challenge a failure to comply with:

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

Within six months of 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 of individual members and the Board as a whole. This assists the Authority and members in demonstrating compliance, if necessary, with the legal requirement and records how risks associated with knowledge gaps have been mitigated. Annually, members complete a knowledge and training needs analysis self-assessment form, which is used to prepare a forward training programme. The training of Board members is largely carried out in house at no direct cost; the national events such as the LGA conference have, so far, been free of charge. Where Board members are required to travel to attend training events this cost is contained in existing budgets.

A schedule detailing the training undertaken by Board members during 2020/21 is detailed below:

<b>Date</b>	<b>Topics Covered</b>
26/10/20	Local Government Association – Six Key Areas of Governance
20/01/21	Pensionable Pay

## 6.0 Work Programme 2020/21

The Board has met four times during the year; 27 May 2020, 10 August, 26 October and 20 January 2021. The work undertaken by the Board during the course of the year has been defined by the Terms of Reference. The Board approves and reviews the Terms of Reference on an annual basis, click to see the [Terms of Reference](#)

During the period 1 April 2020 to 31 March 2021 the following specific matters were considered by the Board:

- Review and approval of the Terms of Reference
- Annual Report 2019/20
- Consideration of the national legal challenge relating to the transitional pension scheme arrangements (McCloud Judgment)
- Consideration of the High Court Judgment on pensionable pay components (Booth vs Mid and West Wales FRA)
- Knowledge and training needs analysis update
- Conflict of Interest policy review
- Consideration of complaints received under the Internal Dispute Resolution Procedures and Pension Ombudsman cases
- A review of the risk register
- Consideration of Business Continuity Plans during the COVID 19 pandemic.

Each agenda also includes the following standing items:

- Declaration of Interest
- Minutes of last meeting
- Firefighters' Pension Schemes Update Report (including legislative update)
- Administrators Update Report (Dyfed Pension Fund)
- Scheme Advisory Board Update
- Training needs
- Risk Register
- 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 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 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 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.

To improve the efficient and effective administration and governance of the pension function, the Board made the following recommendation which was carried out over the year:

- The Service to undertake measures to improve the registrations on 'My Pensions Online'.

More detail is available in the agendas and minutes of the above Board meetings which can be accessed by clicking this [link](#).

## **7.0 Work Programme 2021/22**

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 Fire and Rescue Authority as and when necessary.

The Work Programme for 2021/22 is as set out below:

- Election of Chair;
- Review of Terms of Reference and agreement of the Annual Report for 2020/21;
- Undertake a training needs analysis with members of the Board and agree a training programme including updates on and presentations on current pension issues as necessary;
- Review and update the risk register;
- Provide updates to each meeting on regulatory matters contained within Welsh Government circulars and Local Government Association bulletins;
- Receive updates on the work of the Scheme Advisory Board (Wales);
- Annual Pension Surveys and consultations (if applicable);
- Monitor the delivery of the administrator's Data Improvement Plan;
- Review the outcome of internal and external audit reports;
- Monitor the Service Level Agreement renewal for the role of administrator;
- Continue to improve registrations on My Pensions Online; and
- Assess data and software requirements for implementation.