



Minutes of the meeting of the Local Pension Board held on 18 July 2024 at 09:30, via Zoom

PRESENT

Employer Representatives:

Cllr Gwynfor Owen (left 10:15)

Dafydd Edwards, Treasurer

Gareth Owens, Monitoring Clerk (left 10:30)

Employee Representatives:

Dawn Docx, Fire Leaders Association

Paul Kay, Fire Officers Association (Chair)

Advisors

Helen MacArthur, Assistant Chief Fire Officer

Beccy Marfleet, Pensions Officer

Kevin Gerard, Dyfed Pension Fund

Kim Jeal, Fire Pensions Technical Lead

Minute Taker

Lisa Allington, Executive Assistant

1 APOLOGIES

- 1.1 Apologies were offered and accepted for Geraint Evans, RDS Representative and Terry Ledden, Fire Brigades Union (FBU). It was noted that while the meeting was not quorate, the Board could consider most items on the agenda, but could not escalate matters to the Authority.

2 DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest to record.

3 MINUTES OF THE LAST MEETING

- 3.1 The minutes of the meeting held on 18 April 2024 were approved as a true and accurate record.
- 3.2 ACFO MacArthur confirmed that with reference to paragraph 5.5 of the minutes, the amended version of the Local Pension Board Annual Report had been submitted to the Fire and Rescue Authority (the Authority) and had been approved. It would now be published on the Authority website.



4 UPDATE REPORT – SCHEME MEMBERSHIP

- 4.1 Beccy Marfleet presented the Firefighters Pension Scheme Update Report which aimed to provide the LPB with an update on current issues relating to the Firefighters' Pension Scheme.
- 4.2 It was acknowledged that the more complex the payroll record throughout an employee's working life, the more complex the pensions process and Beccy Marfleet and her team were thanked for their hard work with this complex and challenging task.
- 4.3 Members were advised that when an individual was employed, they were automatically enrolled in the pension scheme. They would have to opt out if they did not wish to contribute and this might be for a number of reasons, but was very often about the cost. If an individual were to opt out, work would be carried out with them in order to emphasise that the scheme was wider than a just pension, and that there were other benefits such as Death in Service. Should they decide to remain opted out, they would be recaptured by the auto enrol process which took place every four years.
- 4.4 It was emphasised that it was of vital importance to the functioning of the pension scheme that as many people as possible be enrolled; however, work would always take place with anyone who opted out to impress upon them the benefits of opting in.
- 4.5 **RESOLVED to:**
- i) **Note the content of the report;**

5 UPDATE REPORT – ADMINISTRATOR

- 5.1 Kevin Gerrard presented the North Wales Fire and Rescue Service (the Service) pensions administration report – July 2024, which aimed to provide a progress update on a number of projects being simultaneously undertaken, along with providing information on relevant issues in the administration of scheme benefits.
- 5.2 It was asked how many of the 925 registered users for My Pension Online were active firefighters, and it was confirmed that 52% of the active firefighters were registered users for My Pension Online. It was suggested that the employee representative bodies work with the staff on stations in order to promote the 'My Pensions Online' portal and encourage people to log in.



- 5.3 Kevin Gerrard confirmed that the new Pensions Dashboard Programme was being driven forward by the Department of Work and Pensions (DWP) in order to provide savers with an online portal to enable them to see all of their pension information in one place in future. Meanwhile, active scheme members should be encouraged to use the My Pensions Online facility, so that they were familiar with the online process when the time came to retire, making it a smoother process for them.
- 5.4 ACFO MacArthur queried when the ability for members to be able to sign all of their pension documents electronically might be launched, and Kevin Gerard responded that there was not yet a 'Go Live' date; however, it was hoped that the service would be available to members within the next eight to twelve months.
- 5.5 Concern was expressed around the increase in statistics for work in progress, and whilst it was acknowledged that this increase was understandable, and urgent work was seen to be prioritised, it was agreed that the situation should continue to be monitored closely in order that further support could be provided if necessary. ACFO MacArthur confirmed that there was a resource issue being experienced across the sector as a whole, as a specific skillset was required in order to be able to deal with these highly complex pensions issues.
- 5.6 **RESOLVED to:**
- i) **Note the content of the report;**
 - ii) **promote the My Pensions Online facility with staff via the Weekly Brief;**
 - iii) **ensure that when individuals join the pensions scheme, that the My Pensions Online facility is heavily promoted; and**
 - iv) **raise the promotion of My Pensions Online with Representative bodies in the next Joint Consultation and Negotiation Committee meeting.**

6 UPDATE ON LEGAL MATTERS

- 6.1 Kim Jeal, Fire Pensions Technical Lead, presented her update on legal matters which set out the statutory timelines imposed by the recent changes to Public Sector Pension Scheme legislation, and more specifically Firefighter Pension Schemes. These are more commonly known as the McCloud and O'Brien (Matthews 2) pension remedy exercises.



- 6.2 It was highlighted that the connection date for the DWP Pensions Dashboard Project for schemes within the Fire Sector had been set as 31 October 2025.
- 6.3 A member queried what would happen if a deadline were missed. Kim Jeal confirmed that there were a number of statutory deadlines, and if the Service could not or did not meet any of these, either in full or in part, they would be required, as would administrators, to report the breach to the Pension's Regulator detailing what had happened, the cause, what was being done to ensure that there was not a reoccurrence, and to make sure that the employee affected achieved the desired outcome.
- 6.4 Robust measures were put in place by the Pensions Regulator who was able to fine organisations who continued to breach deadlines, or who did not report when they did. For example, if the Service managed to generate all Annual Benefit Statements (ABS) and had only failed to provide a couple, this would be considered immaterial; however, it would still need to be recorded and the possibility of volunteering to report should be considered.
- 6.5 It was noted that the Local Government Association (LGA) recognised this risk and that initial discussions had taken place around this with the Pensions Regulator. If a deadline were to be breached, mitigations would be put into place to ensure that all those affected were identified and supported.
- 6.6 Members agreed that communication was of vital importance throughout this entire process and Kim was thanked for her comprehensive report.
- 6.7 **RESOLVED to:**
- i) **Note the content of the report; and**
 - ii) **note the statutory obligation placed on the Scheme Manager to ensure that all timelines were met for all three national projects.**

7 RISK REGISTER

- 7.1 ACFO MacArthur presented the Risk Register report, which provided Members of the LPB with an update on risk management arrangements. The Risk Register was examined and discussed in detail.



- 8.2 Members were advised that the work of the SAB ordinarily covered most of the issues that the Service's LPB did. An extraordinary meeting had been held the previous week in order to discuss future employee contribution rates. As context, employer contribution rates were set using the Government Actuary Department (GAD) valuation and these had increased from April 2024. It had been identified that the employee yield was not sufficient to effectively meet the employee side of the pension scheme, and so work had been undertaken by the actuaries on the current scheme membership. Recommendations to increase the employee yield would therefore be put forward by the SAB, with a view to resetting employee rates from April 2025.
- 8.3 Members felt that it was important to ensure that the LPB participate in any consultation with regards to an increase to employee rates, and that once the rate was known, effective communication with staff would be vital.
- 8.4 As a positive, it was felt that this would be a prime opportunity to maximise on holding the attention of scheme members, and that this should be utilised to have conversations about other things at the same time. It was acknowledged that there was a risk that, once contribution rates were increased, individuals might think that they would no longer be able to afford the contributions. Current modelling indicated that the uplift would be fairly minimal; however, this would be revisited once more information was available.
- 8.5 It was suggested that it may be beneficial to create road map highlighting short-term medium impact and long-term benefits and outcomes. Reassurances were given that GAD, as part of the consultation exercise and analysis, would enact some specific scenarios such as what impact a firefighter with average service would experience, both on a monthly pay basis and the impact on their pension going forward. GAD would be looking to build a number of scenarios that the Service would then be able to use to in order to communicate with staff going forward. It would be critical to help scheme members to understand why there was a need for the increase in contributions, and the benefits of any increase, both to them and the fund going forward.
- 8.6 Reassurances were given that this situation was not unique to the Service, that it was in fact Wales-wide, and similar issues were occurring across the UK in several professions' pension schemes. It was hoped that the SAB would come up with some communique as getting the message across to scheme members would be critical at this point. SAB England and SAB Wales were working together to devise a common approach.



8.7 Members noted their concern that this increase in employee contributions would result in a higher pay claim, impacting upon the FRA budget and the levy on local authorities for next year. It was felt that communications around this issue would be critical as those scheme members working now and retiring sometime in the future might feel that they were paying for all of the legal challenges that the unions had instigated, and that this had added to the cost of the scheme for people retiring now. To avoid this situation, communications put together nationally would need to be carefully thought through.

8.8 It was agreed that the national situation be closely monitored and that any feedback be brought to future LPB meetings.

8.9 **RESOLVED to:**

- i) Monitor the national situation in relation to employee contribution increases; and**
- ii) ensure effective communication be put into place once any increase is announced.**

9 MATTERS TO BE ESCALATED TO THE FIRE AND RESCUE AUTHORITY

9.1 There were no matters to be escalated to the Authority.

10 DATE OF NEXT MEETING

10.1 The next meeting would be held on 1 October 2024 at 09:30hrs.

Meeting closed 10:37