

Report to	Fire and Rescue Authority
Date	20 July 2026
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer
Contact Officer	Helen MacArthur, Assistant Chief Fire Officer
Subject	Firefighters' Pension Scheme – future arrangements



PURPOSE OF REPORT

- 1 This report considers the current operating model for firefighter pensions across Wales and highlights opportunities for collaboration to improve the effectiveness and resilience of the arrangements.

OBSERVATIONS FROM THE LOCAL PENSION BOARD

- 2 The Local Pension Board (LPB) met on the 3 July 2026 to consider the current arrangements and opportunities for further collaboration. The LPB recognised the current challenges being faced and endorsed the proposals to establish a tri-service workstream to consider further collaboration.

RECOMMENDATIONS

Members are asked to:

- i) **Approve the Local Pension Board endorsement of the proposal to establish a tri-service workstream for collaboration across Wales to consider opportunities to improve effectiveness and resilience of pension functions.**

REGULATORY BACKGROUND

- 3 New governance requirements were introduced as a result of the Public Service Pensions Act 2013.
- 4 The Act sets out the primary legislation for public service pension schemes. For the Firefighters' Pension Scheme, the key elements and responsibilities are set out below:
 - The Welsh Government is the responsible authority and is responsible for creating the underpinning regulations. The regulations provide the statutory elements of the scheme and effectively establishes the scheme rules.
 - The Act creates the need for a Scheme Advisory Board whose primary focus is on overarching policy, scheme-wide design, strategic direction, providing advice to the responsible authority, effective administration and overall best practice.
 - The Scheme Manager is responsible for implementing the scheme regulations, managing and administering the scheme locally.

- The Local Pension Board assists the scheme manager advising on matters of administration and governance.

ROLE OF THE SCHEME MANGER

- 5 The Scheme Manager is the body responsible for implementing the scheme, ensuring adherence to the scheme regulations and compliance with the good practice set by the Pensions Regulator. For the Firefighters' Pension Scheme, the Scheme Manager is the Fire and Rescue Authority.
- 6 The day-to-day operational management is delegated to North Wales Fire and Rescue Service (the Service) as part of the scheme of delegation to the Chief Fire Officer.

ROLE OF THE LOCAL PENSION BOARD

- 7 The Local Pension Board for each Fire and Rescue Authority provides advice and guidance to the Scheme Manager (the Fire and Rescue Authority). This covers all areas including compliance with the scheme regulations, matters of governance and administration, legal issues and scrutiny of Service policies and procedures.
- 8 The Local Pension Board is made up of an equal number of employee and employer representatives and meets on four occasions each year. Whilst the Local Pension Board does not have decision making powers it provides significant support to the Scheme Manager. All members of the Local Pension Board are required to complete training provided by the Pensions Regulator and undertake further scheme specific local training.
- 9 The burden on the Local Pension Board has become apparent and it is increasingly difficult for members to develop and maintain the level of knowledge required.

RECENT LEGAL CHALLENGES

- 10 Across the public sector there have been a number of national legal challenges that have placed a significant burden on local pension teams and the pension fund administrator, Dyfed Pension Fund. The age-discrimination legal challenge has been well documented across the public sector. Whilst largely concluded for the majority of staff a smaller number of residual issues remain. Since April 2022 all firefighters are members of the career average scheme which has heightened the need for pensions literacy amongst the membership and increased the technical queries being raised.

- 11 The second legal challenge remains in the early stages of resolution and relates the buyback of pension entitlement for colleagues who are retained firefighters dating back to the start of their contracts. The legal challenges require a case-by-case review and involve highly technical and complex calculations. This requirement is not only impactful for the pension teams and administrators but also for members both current and retired.
- 12 The legal challenges are ongoing and more recently further rulings have been made in relation to the treatment of male survivors in opposite sex marriage and civil partnership.

THE CHALLENGES AND AMBITION

- 13 The legal challenges outlined above have placed an almost intolerable burden on relatively small teams both within individual services but also within the administrators. The technical nature of the work has limited the ability to increase resource capacity. Since 2023, a collaborative arrangement with South Wales Fire and Rescue Service has been in place through the sharing of a Technical Lead to provide the teams with advice and guidance on technical matters. This has worked well and resulted in a closer working relationship and consistency (e.g. a jointly developed discretionary policy applicable to each scheme).
- 14 The legal challenges have also been impactful on the Local Pension Board members who are required to navigate through technical issues.
- 15 The ambition is to seek opportunities for further joint working to maximise the effectiveness of each team, build consistency for members, promote communication and to develop resilience in the event of staff absence or turnover. The ambition may also be extended to the work of the Local Pension Board to build further knowledge and understanding.
- 16 The opportunities range from joint working between pension teams through to the formal delegation by the Scheme Manager to a single person or board to facilitate a single Local Pension Board for Wales. Initial advice has been obtained from the Welsh Government and broad support has been confirmed.
- 17 It should be noted that any changes would not cut across or dilute the role of the Scheme Advisory Board whose role is to provide advice, in response to requests from Welsh Ministers, on changes to the scheme and any other matters relevant to the effective and efficient administration of the Scheme. This piece of work should not be underestimated and will potentially require a review and alignment of discretions and ways of working.

INFORMATION

- 18 Traditionally the administration of the firefighters' pension scheme was relatively straight forward with only one scheme, which was based upon final salary. However, over the last five years it has now become very complicated and labour intensive with over four separate pension schemes and revisions and recalculations required as a result of legal challenges such as McCloud and Matthews. It is unlikely that the workloads will diminish in the future as pension legislation in both England and Wales continues to be revised.
- 19 These pressures have coincided with many pension professionals retiring from the industry and a reluctance for people to enter this profession. This has been evidenced in a survey which was compiled in 2025 by the Local Government Association (LGA) evaluating the pension resources in Fire and Rescue Services and the appetite for the "Need for Change".
- 20 As a result of these findings the National Fire Chiefs Council (NFCC) endorsed further work to explore the concept of a shared service, single scheme manager model, reflecting the sector's strong appetite for change.
- 21 Significantly all three Fire and Rescue Services in Wales expressed a desire for change in their replies to the LGA survey. With the move to a new governance model and the approval of Welsh Government officials, we now have the opportunity in Wales to move to this model more rapidly than England.
- 22 In addition to the efficiencies, it would bring in Wales, it would showcase the benefits to Fire and Rescue Authorities in England, many of whom are facing their own reorganisation of governance arrangements.

IMPLICATIONS

Well-being Objectives	The effective operation of the Firefighters Pension Scheme supports the Well-being objectives by enabling staff to make long term plans over their career. The effective collaboration will seek to maximise effectiveness which supports this objective.
Budget	All proposals will be subject to budget scrutiny to demonstrate value for money
Legal	All options will be assessed to ensure that they fully achieve the regulatory requirements of the Scheme Manager
Staffing	No proposals have been made but any impact will be subject to appropriate engagement and consultation.
Equalities/ Human Rights/ Welsh Language	All proposals will be subject to equality assessment and ensure that the Welsh Language Standards are maintained.
Risks	The establishment of a tri-Service collaboration seeks to address the inherent risks within the current arrangements.