

LOCAL **P**ENSION **B**OARD

FIREFIGHTER PENSION SCHEMES



DATE: 23 AUGUST 2022

TITLE: ANNUAL BUSINESS REPORT

REPORT OF: CHAIR OF THE BOARD

For Information

1. PURPOSE

- 1.1 To report on the Boards activities from September 2021 to August 2022.

2. RECOMMENDATIONS

- 2.1 That the Board consider the effectiveness and efficiency of the Boards governance and administrative arrangements.
- 2.2 That the Annual Business Report be forwarded to the Scheme Manager.

3. BACKGROUND

- 3.1 The Public Service Pensions Act 2013 introduced a framework for the governance and administration of public service pension schemes, including those pension schemes for fire and rescue workers. The Act included the requirement for a Local Pension Board to be established by each responsible Authority.
- 3.2 On 27 March 2015, the Authority established a Local Pension Board in respect of the firefighter pension schemes, in accordance with the requirements of the Public Services Pensions Act 2013 (the Act). This Board is known as the CFA Local Pension Board Firefighter Pension Schemes. The CFA has delegated the Administering Authority to the Scheme Manager (Chief Fire Officer).

3.3 The purpose of the Local Firefighter Pension Board is to assist the Scheme Manager of the schemes to:

- Ensure the effective and efficient governance and administration of the scheme
- Provide the Scheme Manager with such information as they require ensuring that any member of the Pension Board or person to be appointed to the Board does not have a conflict of interest.

4. **MEMBERSHIP**

4.1 The Board currently consists of 6 voting members with equal number of employer and scheme member representatives. Councillor Ashley Waters resigned from the Board in November 2021 and the Scheme Manager has appointed Councillors Clayton and Matthews as Employer Representatives and Councillor Lynn Hall as a substitute Employer Representative and Alan Turner as an Employee Representative. The additional Employee Substitute Representative position is still vacant.

4.2 The Board Membership is as follows:

Employer Representative 1	Councillor Teresa Higgins
Employer Representative 2	Councillor Ben Clayton
Employer Representative 3	Councillor Steve Matthews
Employee Representative 1	Mr David Howe
Employee Representative 2	Mr Sid Walker
Employee Representative 3	SM Alan Turner
Substitute Employer Representative 1	Councillor Lynn Hall

Also in attendance at Board meetings are:

Scheme Manager	- Chief Fire Officer, Ian Hayton
Brigade Pension Advisor	- Michelle Richardson
Governance/Training Advisor	- Beverley Parker
XPS Business Services	- Paul Mudd

5. GOVERNANCE AND ADMINISTRATION

5.1 Terms of Reference

The Board refresh the terms of reference on an annual basis to ensure they are still current and relevant.

The principle remit of the Board is to assist the Scheme Manager in the efficient and effective governance and administration of the Pension Schemes through:

1. the provision of advice in line with the primary core function in securing compliance with the regulations, and all other legislation relating to the governance and administration of the Scheme, and those requirements imposed by the Pensions Regulator.
2. the secure compliance with Regulations, any other legislation relating to the governance and administration of the Scheme and requirements imposed by the Pension Regulator in relation to the Scheme.
3. Under the Regulations the Scheme Manager can determine the appointment of other Local Pension Board Members, ie members who are not there to represent employers or scheme members.

5.2 Board Activity

The Board meets in an advisory capacity and has no delegated powers. The Board discharges its duties and responsibilities effectively and holds training sessions as part of the meeting agenda. There is also the provision for additional meetings to be convened on notice. The quoracy of the Board is one employer and one employee. Minutes are taken at all meetings and once approved are displayed on the website. No public have attended the meetings to date.

The Board agreed at the 2019 annual meeting to hold 4 meetings a year, which were held remotely during the lockdown. Councillors Higgins, Mr Dave Howe and Scheme Manager were in attendance at all Board meetings during the year with Mr Walker attending 75%. The current Chair is a representative from the Employer side and was appointed by the Board at the 2021 Annual meeting.

The work of the Board has been shaped by the Board members and by Officers supporting the Board with regular reporting to the Board on specific and current issues covering both local and national issues. As well as enhancing the knowledge and understanding of Board members, this regular reporting 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.

Regular reporting subjects are Risk Registers; Breaches, Discretions; Pension Funding and Annual Benefit Statement progress.

The Board were kept informed of the progress towards sending out Annual Benefit Statements to members, with no issues identified.

Work continues to improve communications with pension scheme members and to raise the profile of pension scheme issues. The Board continue to ensure that good practice is maintained and ongoing improvements are made in line with advice from the Scheme Advisory Board and the Pension Regulator.

5.4 Finance

A budget of £500 has been established to undertake any training requirements the Board may have to enable them to fulfil their role. The training of Board members is largely carried out in house at no direct cost, and national events such as the LGA conference have been free of charge so far. No expenditure has been spent on training in 2020/21 as this has been undertaken remotely free of charge.

The Authority continues to pay a levy to the Scheme Advisory Board which covers the cost of the national fire pensions technical advisor post and support the work of the SAB. The aim of the SAB in setting this levy is to help fire authorities to achieve cost savings by producing guidance and communications centrally for authorities to share. The total levy in 2021-22 will be £9.16/firefighter and this has been provided for within the revenue budget.

5.5 Notification of Interests

All members of the Board have completed a Notification of Interest Form to which the Scheme Manager and Legal Adviser and Monitoring Officer have concluded that there are no current conflicts of interest. Declarations of Interest are a standing agenda item. All Notifications of Interest Forms are refreshed on a regular basis.

5.6 Record Keeping

Records are kept relating to:

- pension board meeting
- decision/recommendations made by the board whilst carrying out their role as pension board members
- decisions made by a committee or sub-committee of the pension board not ratified by the pension board
- member Training and development
- breaches or potential breaches of the law

5.7 Transparency

All Board meeting agenda and reports are published on the website and will be kept electronically for 7 years (excludes information under Section 100(A) (4) of the Local Government Act.

Information on the LPB can be found on the Brigade website at <https://www.clevelandfire.gov.uk/about/fire-authority-2/>

5.8 Breaches of the Law

Breaches of the Law is a standing agenda item. A Breaches of the Law register has been established to record details of all breaches and areas of concern that have been considered and not felt to be a breach. One breach was reported in 2021/22.

5.9 Risk Register

A risk register has been established, the progress of which is a standing agenda item. The registers are reviewed at every Board meeting.

5.10 GDPR

The Board have received training on the implications of GDPR and have issued a Full Privacy Notice which is displayed on the website.

5.11 FPS Bulletins

Bulletins are sent to board members on a monthly basis.

5.12 Approved Policy/Guidance Documentation

The Board have adopted the following Guidance Notes:

Guidance Note 1 – Conflicts of Interest and Representation

Guidance Note 2 – Knowledge and understanding required by Board members

Guidance Note 3 – Administration

Guidance Note 4 – Role of Local Pension Board Members

Guidance Note 5 – Breaches of the Law

The FPS Administration Management and Governance Strategy was adopted as part of the Board's governance administration and procedures in August 2021.

6 TRAINING

The members of the Board are required to achieve and maintain knowledge and understanding of pensions and this requirement is managed and monitored by the Scheme Manager.

The Scheme Manager provides training and development at every meeting. LGA training has been undertaken remotely and XPS Pension Services and Brigade Officers also provide the required training and background. The Pension Regulator website has e-learning modules in the following areas:

- Conflicts of Interest
- Managing risks and internal control
- Maintaining accurate member data
- Maintaining member contributions
- Providing information to members and others
- Resolving internal disputes
- Reporting breaches of the law

COUNCILLOR TERESA HIGGINS
CHAIR