AGENDA ITEM 8

LOCAL PENSION BOARD
FIREFIGHTER PENSION SCHEMES

CLEVELAND FIRE AUTHORITY

DATE: 20 NOVEMBER 2019

TITLE: GOVERNANCE & ADMINISTRATION

REPORT OF: SCHEME MANAGER

For Noting

1. PURPOSE

1.1 To update the Board on the following governance and administrative issues.

2. RECOMMENDATIONS

That the Board present their views on:

2.1 the Local Pension Board Terms of Reference as outlined at Appendix 1.

2.2 any breaches or potential breaches of the law.

3. TERMS OF REFERENCE

3.1 The Terms of Reference were first approved by the Board in 2015 and are reviewed annually. The Board views are requested on the attached terms of reference which include updates regarding the TPR "Public Service Governance and Administration Survey" 2018 recommendations and the LGA's updated proposed Terms of Reference for Local Pension Boards.

4. BREACHES OF THE LAW

That the Board establish if there have been any breaches or potential breaches of the law that have been referred to the Scheme Manager, who holds the Register as per Guidance Note 5 – Breaches of the Law.

5. ANNUAL BENEFIT STATEMENTS (ABS)

That the Board consider the progress of the Annual Benefit Statements.

6. AON – ADMIN AND BENCHMARKING REVIEW

In 2018 the Scheme Advisory Board commissioned an Administration and Benchmarking review with the aim of establishing how much the scheme costs to run and how effective administration is. Aon were appointed to undertake the project and the Executive Summary and recommendations are enclosed at Appendix 2. The SAB are now considering the recommendations and will issue a report focusing on the actions needed to progress this work. A copy of the full report is available from the Governance/Training Advisor.

7. FIREFIGHTERS (ENGLAND) SCHEME ADVISORY BOARD LEVY 2019/20

In 2014, LGA contacted FRAs about entering into a shared agreement to fund a technical adviser post in order to support FRAs with their understanding and management of the Firefighters' Pension Schemes. This post was funded by a voluntary subscription of £2 per firefighter, which each FRA signed up for. Under the terms of the 2014 regulations 4H(1) the costs of the new governance arrangements are to be met by scheme employers under a levy set by the Scheme Advisory Board (SAB) and approved by the Secretary of State. This budget was first set in 2016 and included provision of a secondary post to provide secretarial support for the scheme advisory board. The then Fire Minister agreed that the technical adviser subscription of £2 per firefighter should be brought within the levy. I can advise that the SAB levy has now been approved by the Fire Minister, and the total levy for the 2019/2020 year will be £6.67 per firefighter, which is calculated at £4.50 for the SAB and £2.17 for employers.

IAN HAYTON
SCHEME MANAGER