LOCAL PENSION BOARD
FIREFIGHTER PENSION SCHEMES

CLEVELAND FIRE AUTHORITY

DATE: 20 NOVEMBER 2019

TITLE: JOINT LOCAL PENSION BOARDS

REPORT OF: SCHEME MANAGER

For Information

1. PURPOSE

1.1 To inform and seek the views of the Board in light of additional information contained within FPS Bulletin 21 regarding Joint Local Pension Boards and guidance (issued 04/06/2019) through the Firefighters Pensions England Scheme Advisory Board.

2. RECOMMENDATION

2.1 That the Board note and consider the report.

3. BACKGROUND

3.1 Attached at Appendix 1 is the Legal Adviser and Monitoring Officers report which was presented to the LPB Meeting on 27 February 2019.

4. JOINT LOCAL PENSION BOARDS

4.1 The following is an extract from FPS Bulletin 21:

The scheme rules [4A, paragraphs 2 & 3] set out in what circumstances a joint LBP may be established if approval in writing is obtained from the Secretary of State:

(2) Where the administration and management of this scheme is wholly or mainly shared by two or more scheme managers, those scheme managers may establish a joint local pension board if approval in writing has been obtained from the Secretary of State.

(3) Approval under paragraph (2) may be given subject to such conditions as the Secretary of State thinks fit and may be withdrawn if any conditions are not met or if in the opinion of the Secretary of State it is no longer appropriate for the approval to continue.

Following an expression of interest from Leicestershire, Nottinghamshire, and Derbyshire boards, and in order to make a recommendation to the Scheme Advisory Board (SAB), the Local Pension Board Effectiveness Committee (the "Committee") considered at their meeting of 19 April 2018 how these rules should be interpreted to gain approval from the Secretary of State.

It was determined that in order to assist LPBs in making an application, guidance would be developed which set out criteria that LPBs have to meet, to evidence shared administration and management of the Firefighters' Pension Schemes. This guidance has been drafted by the Board secretariat in conjunction with the Committee, and incorporates feedback from a meeting with the three LPBs in June 2018 which was attended by the secretariat, the chair of the SAB, and the Home Office. We are pleased to share the guidance at Annex A .

The Committee's view in setting out the criteria is that there should be a high bar on the evidence used to demonstrate joint management of the scheme to avoid concerns that poorly performing scheme managers or LPBs could use a joint board as a way of bypassing legislative requirements.

5. CURRENT POSITION

5.1 An application has now been submitted by Leicestershire County Council to the Secretary of State, seeking approval to the establishment of the first joint FRS Local Pension Board. The application is based on an East Midlands cohort of FRS's encompassing, Nottinghamshire, Derbyshire and Leicestershire. It should be noted that Leicestershire County Council administers the firefighter pensions for all three FRA's but wish to see closer working relationships and benefits of:

- Improved delivery of best practice
- More cost effective governance
- An increased knowledge base and resilience

5.2 Once the outcome of this application has been made known, the Board will be accordingly informed. For the present, the Board is asked to note this report and discuss any implications for the Board in seeking closer working relationships as detailed in the report to the Board on 29 February 2019 and in their consideration of the guidance issued under FPS Bulletin 21.

IAN HAYTON
SCHEME MANAGER