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| Fire Authority Report |
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| LOCAL FIREFIGHTER PENSION BOARD ANNUAL REPORT 201x/1x |
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| Report of the Chief Fire Officer |

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| **Date:**   |  |
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| **Purpose of Report:** To report to Members on the activities of the Local Firefighter Pension Board up to 31 March 201x.  |
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| 1. BACKGROUND |

* 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.
	2. In April 2015, this Committee approved the creation of 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 Local Firefighter Pension Board and has been operating ever since.

1.3 The purpose of the Local Firefighter Pension Board is to assist the Fire Authority in its role as the Scheme Manager of the Fire Fighters Pension Schemes: 1992, 2006, 2015 and Retained Modified. Such assistance is to:

* Secure compliance with the Scheme’s regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme; and
* Ensure the effective and efficient governance and administration of the Scheme.

1.4 The Fire Authority is the Scheme Manager for the firefighter pension schemes, which is a role defined by the Act. The day to day responsibilities of the Scheme Manager are delegated to the Head of Finance post and this report therefore serves to communicate to the Fire Authority about the activities of the Local Firefighter Pension Board to date.

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| 2 REPORT |

**CONSTITUTION**

2.1 A constitution for the Local Firefighter Pension Board was approved by the Policy and Strategy Committee at the time that the Board was created. Since then the Local Firefighter Pension Board has approved a number of changes to the Constitution which can be summarised as:

2.1.1 Detail any changes.

2.2 A further change is required to the constitution – add any further changes requiring approval here. The Committee is requested to approve this change. The revised constitution is attached at Appendix A.

**FORMAT OF MEETINGS**

2.3 A minimum of three/four meetings are held per year. Meetings are publicly advertised on the Authority’s website. There have been no members of the public attending meetings to date. The meeting agenda and papers, together with the minutes of the previous meeting, are published on the Authority’s website one week prior to the meeting date. (Will need to review this paragraph out if Board not a public meeting)

2.4 Board members are required to declare any potential conflicts of interest to the Scheme Manager prior to each meeting, in line with the Local Firefighter Pension Board’s Conflicts of Interest Policy.

2.5 At the end of each meeting there is usually a training session for Board members on an aspect of pensions.

2.6 Minutes are taken at all meetings.

**BOARD MEMBERSHIP**

2.7 As set out in the constitution, there is an equal number of employer and employee representatives on the Board and there is now also one substitute member for each side. Substitute members are encouraged to attend meetings as observers, and they are able to act as Board members in the absence of one of the full members. Substitute members are also invited to attend training sessions and this helps to improve knowledge and understanding of pensions issues. (Amend as necessary)

2.8 The Chair of the Local Firefighter Pension Board is currently a representative from the employer side. The requirement to rotate the appointment of Chair is set out in the constitution. (Amend as necessary)

2.9 Update on any changes to Board membership

**TRAINING**

2.10 The Pensions Regulator has published a Code of Practice for the governance and administration of public service pension schemes and this code sets out the requirement for Board members to achieve and maintain knowledge and understanding sufficient to enable them to carry out the role of Board member.

2.11 There have been a number of training sessions delivered to the Board, including: regional training presented by the LGA’s fire pensions adviser; the opportunity to attend the annual LGA Fire Pensions Conference; Regional training; training presented by the Authority’s pension administrator and training at each Board meeting. There is online training available on the Pension Regulator website which members of the Board are encouraged to complete. (Amend as necessary)

2.12 Membership of the Board has changed due to the retirement of one Board member. One to one training for new Board members and substitute members is provided by the Scheme Manager, focussing on key areas concerning pensions. (Amend as necessary)

2.13 Each Board member has completed a training needs analysis and the Board has a Training Policy. A record of all training is maintained by the Scheme Manager.

**BOARD ACTIVITY**

2.14 Since the Local Firefighter Pension Board was set up in 2015, the work of the Board has been shaped by the Board members and by Officers supporting the Board.

2.15 Some regular reports to the Board have been developed and these are:

2.15.1 A report entitled “Current Pensions Issues” which provides the Board with the latest information on areas of significant pension work, and includes both local and national issues. As well as enhancing the knowledge and understanding of Board members, this regular report 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. The report includes an appendix on statistical information on scheme membership called Pension Metrics;

2.15.2 A report on the pension fund financial position at the end of the year is presented to the next Board meeting following the financial year end, and this gives the Board the financial context for the pension schemes;

2.15.3 A report presented to each meeting on the Firefighter Pension Risk Register. The risk register is reviewed regularly by the Scheme Manager and is presented to the Board at each meeting, with any amendments highlighted. This allows the Board to keep track of the key risks and the control measures designed to manage those risks.

2.16 Other areas of governance which have been discussed at Board meetings include:

2.16.1 Employer discretions under the firefighter pension schemes. Discretions are presented to the Board for information, and the process by which Officers make decisions about discretions has been explained. There were no Discretions during 201x/1x.

2.16.2 The Board was kept informed of progress towards sending out Annual Benefits Statements (ABS) to members for 201x/1x. Provide details of any ABS related issues here.

2.16.3 In order to keep abreast of national pension issues, the Board has set up a register of Breaches of the Pension Act 2013. The register provides details of all breaches and also areas of concern that have been considered but not felt to breach the regulations. Provide details of any breaches here

2.16.4 To help ensure compliance with the General Data Protection Regulation (GDPR) and also to ensure the accuracy of records, the Board is also in the process of developing a Data Improvement Plan.

2.16.5 The Board is being kept up to date regarding the outcome of the Employment Appeal Tribunal relating to the Public Sector Age Discrimination Appeals which were heard in December 2017. The case has been referred back to the Employment Tribunal for further consideration. It is expected that the case could take some time to resolve, but could have far reaching implications on the 2015 scheme should it be upheld.

2.17 The Local Firefighter Pension Board is now well established and has made good progress in improving the knowledge and understanding of the Board about pension issues, and in ensuring that governance and administration of pensions is carried out effectively. Work has also been undertaken to communicate with pension scheme members about pension issues and to raise the profile of this important subject. The Board will 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.

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| **3. FINANCIAL IMPLICATIONS** |

3.1 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. Where Board members have to travel to attend training events this cost is contained within existing budgets.

3.2 The Authority continues to pay a levy to the Scheme Advisory Board and this will cover 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 cost in 201x/1x will be in the region of £xxx and this has been provided for within the revenue budget.

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| **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**  |

There are no human resources or learning and development implications arising directly from this report. The members of the Board are required to achieve and maintain knowledge and understanding of pensions and this requirement is being managed and monitored by the Scheme Manager.

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| **5. EQUALITY IMPLICATIONS** |

An equality impact assessment has not been undertaken because this report is not associated with a policy, function or service.

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| **6. CRIME AND DISORDER IMPLICATIONS** |

There are no crime and disorder implications arising from this report.

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| **7. LEGAL IMPLICATIONS** |

The Local Firefighter Pension Board was created to fulfil the requirements of the Public Service Pensions Act 2013.

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| **8. RISK MANAGEMENT IMPLICATIONS** |

The risks associated with pension governance and administration are set out in the Board’s risk register, which is actively managed by the Scheme Manager and monitored by the Board.

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| **9. COLLABORATION IMPLICATIONS** |

Add details here if necessary

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| **10. RECOMMENDATIONS** |

It is recommended that Members:

9.1 Note the contents of this report.

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| **11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)** |

None.