

**Status of Report: Public**

**Meeting: Combined Fire Authority**

**Date: 20 June 2018**

**Subject: EAST MIDLANDS JOINT PENSION BOARD**

**Report by: The Treasurer**

**Author: Alison Greenhill – Treasurer**

**For: Decision**

## **1. Purpose**

The purpose of this report is to seek approval to commence discussion with Nottinghamshire and Derbyshire Fire Authorities to establish an East Midlands Joint Pensions Board.

## **2. Recommendations**

It is recommended that Members approve:

- a) The creation of an East Midlands Joint Pension Board which will replace the Leicestershire Pension Board.
- b) The submission of a joint request to the Secretary of State seeking approval for the creation of an East Midlands Joint Pensions Board.

## **3. Executive Summary**

- 3.1. The CFA supported the creation of a Joint Pensions Board with Nottinghamshire and Derbyshire Fire Authorities in 2015. Unfortunately, at that time this was not favoured at a national level.
- 3.2. The landscape has now changed and such a collaborative working arrangement would now be seen as progressive and is likely to be supported by the Secretary of State, whose approval is required.

## **4. Background**

- 4.1 Since April 2015, the Public Service Pensions Act 2013 required that the Authority has a Local Pension Board for the fire fighters' pension schemes. The Board consists of employer and employee representatives and is established to assist the scheme manager in the administration of the pension scheme. It is not a decision-making body, but holds a scrutiny role.

- 4.2 The Scheme Manager is responsible for the governance and administration of the scheme. This role is held by the Fire Authority. The function is discharged to a nominated officer, currently the Treasurer.
- 4.3 Whilst the provisions of the Public Service Pensions Act apply to both the fire fighters' pension schemes and the Local Government Pension Scheme (LGPS), the obligations for the LGPS are discharged to the County Council in its capacity as Scheme Manager.

## **5. Report Detail**

- 5.1 The Chief Fire and Rescue Officer (CFO) in post in 2015 under the Urgent Action Procedure authorised the then appointed Treasurer to establish a Joint Pension Board with Nottinghamshire and Derbyshire Fire Authorities. An update on the progress of this was reported to the CFA at its meeting on 9 July 2015.
- 5.2 However, it became apparent that the legislation required joint boards to have the approval of the Secretary of State, and that this would not be achievable within the required timescales. Consequently, each authority set up their own interim boards.
- 5.3 Initially, the Secretary of State appeared reluctant to consider joint boards. However, it is understood based on engagement with the Local Government Association's fire fighter pension specialists (Scheme Advisory Board) that this has now changed and there is some momentum between the three authorities to once again move forward with the joint board proposal.
- 5.4 Officers within the three Fire Authorities believe that the time is now right to move forward in the creation of an East Midlands Joint Board. The Local Government Association's fire fighter pension specialists (Scheme Advisory Board) have offered to assist in the process of gaining the approval of the Secretary of State and getting the joint board set up.
- 5.5 There are many benefits to be achieved from operating a joint board, especially since the three Fire Authorities share the same pension administrator and are dealing with common pension issues. It would be an opportunity to develop best practice and also contributes to the collaboration agenda.
- 5.6 As all three Fire Authorities share the County Council as the pensions administrator, the effort and support required is duplicated three times. Much of the performance information discussed contains comparative data and a joint board would be able to properly scrutinise variances in practice and performance across the region.
- 5.7 If a joint board were to be created it would be anticipated that members from the three interim pensions boards would be retained. This would mean that there would be a total of six employee representatives and six employer representatives, with the chair probably rotating between the three Fire Authorities. The final governance arrangements would be subject to consideration by individual Fire Authorities.

5.8 The Pensions Board has received updates and briefings on this issue and is fully supportive of the proposal. However, given that it is almost three years since the issue was first considered by the Chief Fire Officer and the CFA, it is thought appropriate to request the CFA to reconfirm its commitment to a joint board.

## **6. Report Implications / Impact**

### **6.1 *Legal (including crime and disorder)***

The Public Service Pensions Act 2013 introduced a framework for the governance and administration of public service pension schemes. This report aims to fulfil the requirement for Pension Board members to assist the Scheme Manager in ensuring that effective administration arrangements are in place.

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

### **6.2 *Financial (including value for money, benefits and efficiencies)***

There are no direct financial implications resulting from this report. However, the creation of a joint board will result in a more effective administration across the three Fire Authorities and improve collaboration and best practice.

### **6.3 *Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)***

The Pensions Risk Register identifies the turnover of members of the Pension Board as a risk due to the loss of knowledge and experience. The creation of a Joint Pension Board will expand on the number of members on the Board and therefore help to develop a depth of knowledge and experience and increase resilience.

### **6.4 *Staff, Service Users and Stakeholders (including the Equality Impact Assessment)***

An equality impact assessment has not been undertaken because this is not a new policy.

### **6.5 *Impact upon Our Plan Objectives***

The Finance and Resources strategic aim of demonstrating value for money is supported through improvements to the efficiency and effectiveness of future pension administration as outlined in the report.

### **6.6 *Human Resources and Learning and Development Implications***

There are human resources implications arising directly from this report, in that

pension matters affect most employees. Human resources department staff are fully involved in pension issues to ensure that human resources implications are considered.

**6.7. *Collaboration Implications***

The creation of the East Midlands Joint Pension Board meets the collaboration agenda. If successful it will be the first Joint Pension Board to be created in the country.

**7. *Background Papers***

None.

**8. *Appendices***

None.