

Fire Pension Scheme(s)

Version Control	Changes Made	Author
Version 1 July 2023	Creation of CFRS FPS Administration, Management and Governance Strategy	FPS Scheme Manager Head of People and Talent

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1. Background

In 2018, Aon were commissioned by the Firefighters' Pensions (England) Scheme Advisory Board (SAB) to undertake a benchmarking review of the administration and management of the Firefighters' Pension Scheme (FPS).

One of the recommendations made within the report was the implementation of a locally developed pension administration strategy to formalise standards and expectations of the Fire and Rescue Authority (FRA) and their administrator:

"We suggest that the Board considers recommending regulatory changes to encourage best practice among all scheme managers/FRAs and administrators across the Scheme. This could be achieved by setting out requirements for each Scheme Manager to have a locally developed pensions administration strategy in place. This could be mandated but as a minimum it could set out the need to have one to demonstrate best practice (as is the case in other schemes such as the LGPS). An administration strategy should set out the scheme manager's aims and objectives and how those are going to be achieved in conjunction with the administrator. Performance against those aims, and objectives, must then be appropriately measured and monitored and where administration levels are not to the required standard, plans should be in place to address those areas of concern. An administration strategy should be determined locally (with support in doing so made available from centrally prepared guidance).

A range of target timescales should be determined by each FRA and it is good practice for them to be included in an administration strategy. Scheme managers may wish to set shorter timescales or other targets for specific processes rather than relying on legal timescales in all cases. The administration strategy should be publicly available for all stakeholders (including members). It could also set out the consequences of what not achieving those targets would be."

While there is no legislative requirement for FRAs to have such a strategy in place, the SAB secretariat have provided a template for authorities to adopt to demonstrate best practice in the administration and management of the FPS. With each of the 44 FRAs in England responsible for managing the scheme and making decisions in their own right, this document also seeks to ensure a level of consistency in the service offered to scheme members, with FRAs working in conjunction with their administrator. There are currently 16 different administrators providing administration services across the 44 FRAs.

As the FRA as scheme manager has responsibility for both administering and managing the scheme, it was determined by the SAB Administration and Benchmarking committee ("the Committee") that the scope of the document be extended to include each of these roles, and that the expectations of Local Pension Boards in their role of assisting the scheme manager should also be included.

2. Introduction

The Cumbria Commissioner Fire and Rescue Authority is defined in law as the scheme manager and is therefore responsible for the management and administration of the Firefighters' Pensions Schemes for scheme members employed by Cumbria Fire and Rescue Service.

Although the scheme manager function is delegated to the Chief Fire Officer, Cumbria

Commissioner Fire and Rescue Authority (CCFRA) retains legal responsibility for the scheme.

In the employer role, Cumbria Commissioner Fire and Rescue Authority will provide pension related functions such as HR, finance, and payroll.

Administration of the scheme has been outsourced to Local Pension Partnership Administration (LPPA) through a delegation agreement with Lancashire County Council.

This document is the FPS Administration, Management, and Governance Strategy statement which outlines formal standards and expectations of the Cumbria Fire and Rescue Authority (FRA) and their administrator, along with expectations of the Local Pension Board (LPB) in their role of assisting the scheme manager.

A governance policy statement is attached as Appendix 1.

The aim of the document is to ensure that a consistent, cost-effective, and high-quality pension service is provided to members, recognising that full and transparent collaboration between stakeholders is key to achieving this aim.

3. Purpose and Compliance

The purpose of this document is to facilitate best practice and efficient customer service in respect of:

- Procedures for liaison and communication with the Administrator LPPA;
- The establishment of performance levels which the Administrator LPPA and CCFRA are expected to achieve;
- Procedures to ensure compliance with statutory requirements in connection with the administration of the FPS;
- Procedures for improving the methods of passing information between the administering authority and CCFRA.;

The following stakeholders have been consulted in the development of this statement: Cumbria Commissioner Fire and Rescue Authority and Deputy Commissioner, Local Pension Board; Administrator LPPA; Trade unions, colleagues from Legal, Payroll, HR Systems and CCFRA HR Team.

The scheme manager is the owner of the document. A copy can be found on the CFRS website.

This strategy does not override any provision contained with the scheme regulations or any administration guidance provided by the Local Government Association (LGA).

The document has been presented, considered, and ratified by the Local Pension Board on **20 July 2023** and applies to all interested parties from this date.

4. Compliance and Review

The strategy will be reviewed following any changes to scheme rules, processes, or procedures which affect this strategy, including a change of administrator, or every three years if this is sooner.

Changes will be made following consultation with the above-named bodies and a copy of the updated strategy will be made available online. Full consultation will not take place when there has been a change of contacts details only in 5.1 or 5.2 below.

Suggestions for improvement to this strategy are welcome from stakeholders at any time.

5. Liaison and Communication

5.1 Cumbria Commissioner Fire and Rescue Authority contacts

The scheme manager has nominated contacts in the following areas to allow correspondence to be directed to the most relevant individual. These contacts will be provided to the administrator and the LGA.

<p>Scheme manager (strategic) contact for scheme consultations, surveys, discretions, and Internal Dispute Resolution Procedure (IDRP)</p> <p>CFO Kristine Ward, Head of People and Talent Sandra Sedgwick, Senior HR Advisor (Pensions)</p>
<p>Pension liaison contact for day to day administrative duties such as completion of forms, responding to queries, and HR functions</p> <p>Kristine Ward, Head of People and Talent Sandra Sedgwick, Senior HR Advisor (Pensions) Sheena Benson, Senior HR Advisor</p>
<p>Payroll contact for queries relating to pay, contributions, submission of monthly/ annual returns, year-end postings, leaver forms</p> <p>Mandy Roach, Payroll Manager</p>
<p>Finance contact for valuations, SAB levy payment requests, Pension forecasts for the Top up Grant, Event Reporting and Accounting for Tax</p> <p>Steven Tickner, Chief Finance Officer (S.151) Mike Scott, Service Accountant Fiona Parker, Group Accountant (Westmorland and Furness Council)</p>
<p>HR Systems for monthly returns, data checking etc.</p> <p>Mary-Lou Miller, HR Systems</p>
<p>Legal</p> <p>Adrian Maitre, Lead Lawyer</p>

The scheme manager is responsible for keeping the nominated contacts up to date and providing prompt notification of changes.

5.2 Administrator contacts

The Administrator will provide the following contact information for CUMBRIA FRS and the scheme members:

<p>Pension Fund representative for regulatory or administration queries, training, advice and guidance LPPAclients@localpensionspartnership.org.uk</p>
<p>Finance contact to assist with the monthly returns process/ year end/pension payroll Engagement@localpensionspartnership.org.uk</p>
<p>Systems contact to assist with the monthly returns process/ year end Engagement@localpensionspartnership.org.uk</p>
<p>Member helpline for queries</p> <p>LPPA Helpdesk telephone no.0300 323 0260 (<i>Monday-Thursday 9am-5pm, Friday 9am-4pm</i>).</p>

5.3 Communications Activity

	Activity	Main contact
5.3.1	<p>Ensure that members, representative of members and prospective members are provided with FBS scheme specific information online https://www.lppapensions.co.uk/members/schemes/firefighters-scheme/. Member videos such as about what to consider when retiring to be provided via the LPPA Pensions website.</p>	LPPA
5.3.2	<p>Provide a Helpdesk and online member contact form for enquiries for both members and CCFRA.</p> <p>The Helpdesk contact phone number is 0300 323 0260</p>	LPPA
5.3.3	Develop and actively promote the use of electronic/online facilities for data sharing and communication purposes between CCFRA and LPPA.	LPPA
5.3.4	Develop and actively promote the use of member and employer online self-service systems and provide day to day access and query support.	LPPA
5.3.5	<p>Provide Scheme information, including:</p> <ul style="list-style-type: none"> • New starter information and documentation; • Scheme guides and fact sheets for both members and employers; • Annual newsletters; and • Employer bulletins (as and when appropriate). 	LPPA
5.3.6	<p>Provide employer information and training (as appropriate), for example:</p> <ul style="list-style-type: none"> • Virtual employer training • Employer Information online <p>Including:</p>	LPPA

	Activity	Main contact
	<ul style="list-style-type: none"> • Pension basics and general employer administration functions; • Changes to the regulations; • New technological developments; and • Navigation of systems. 	
5.3.7	At the request of CCFRA provide appropriate attendance at courses/seminars (e.g. pre-retirement or induction courses),	LPPA
5.3.8	In conjunction with the CCFRA pensions' team, arrange and facilitate one-off 'Road Shows' where there are material and/or extensive regulatory changes in respect of the Scheme.	LPPA & CCFRA
5.3.9	Undertake appropriate consultation with CCFRA as required.	LPPA

6. Scheme Manager Duties and Responsibilities

6.1 Discretions

As a matter of best practice, **the scheme manager has prepared and published written statements on the exercise of discretions** which are available to them under each set of FPS regulations. The discretions policy will be kept under review and the revised version published within one month of the effective date.

A full list of scheme manager discretions is available on the CFRS website.

6.2 Internal Dispute Resolution Procedure (IDRP)

If a scheme member, prospective member, dependant, or other person with an interest in the scheme, is dissatisfied with a decision made by the CCFRA (or the failure to make a decision) there are rights of appeal available. Each set of scheme rules contains arrangements for Internal Dispute Resolution Procedures (IDRP) based on the requirements of the Pensions Act 1995 and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008.

Firefighters' Pension Scheme 1992 (FPS 1992)	Rule H3 (as amended by SI 2013/1392)
Firefighters' Pension Scheme 2006 (FPS 2006)	Part 8, paragraph 5
Firefighters' Pension Scheme 2015 (FPS 2015)	Regulation 163
Firefighters' Compensation Scheme (FCS)	Part 6 rule 3

The scheme manager has nominated appropriate persons to hear each stage of the appeal and respond to the individual within the specified timescales.

The timescales for each stage are stipulated in the IDRP and must be adhered to in order to mitigate further complaint or distress to the member. Failure to comply with timescales could be construed as maladministration and attract a financial award from The Pensions

Ombudsman (TPO).

The nominated decision makers for CCFRA are:

Stage 1	Chief Fire Officer (as delegated Scheme Manager)
Stage 2	Panel – Deputy CFO, and a Finance / HR and Legal representative.

CCFRA's IDRPs can be found on the CFRS website.

6.3 The Pensions Regulator (TPR)

TPR is a public body established by the Pensions Act 2004 to make sure that pension schemes within the UK are run properly and can provide secure benefits for their members upon retirement. TPR has powers to "educate, enable, and enforce", and is responsible for promoting good scheme administration. The Regulator is sponsored by the Department for Work and Pensions (DWP).

TPR's oversight of public service pension schemes, including the Firefighters' Pension Schemes, was introduced by schedule 4 of the Public Service Pensions Act 2013.

The scheme manager will ensure that they are familiar with TPR's Code of Practice: Governance and administration of public service pension schemes.

Each year TPR issue two requests for information which the scheme manager and Local Pension Board (LPB) shall ensure are completed:

The **scheme return** is a statutory return which allows TPR to keep their register of workplace pension schemes up to date.

The return asks for information about what type of scheme Cumbria FPS is and how many members it has, as well as requesting up to date contact details.

The return also asks schemes to provide their common and scheme specific data scores, which enables TPR to monitor continuous data improvement.

TPR can and will take enforcement action if the scheme return is not completed.

Governance and Administration Survey – the scheme manager will complete the annual governance and administration survey in conjunction with the LPB. Although the survey is not mandatory, participation is strongly encouraged by both TPR and the Scheme Advisory Board, so that improvements in running the FPS can be monitored and evidenced.

TPR do not take any regulatory action based on survey responses, but overall trends may inform their engagement activity with schemes. Non-completion of either of the above requests for information may indicate wider governance failings to TPR.

TPR's 'six key processes' assist schemes with understanding and compliance.

One of TPR's key areas of focus is record keeping and data quality. **The scheme manager shall ensure that data is reviewed annually and that a data improvement plan is in place.**

6.4 Data transfer

The scheme manager will ensure that processes are in place for timely and accurate transfer of data.

Data will be transferred to LPPA (the Administrator) electronically on a monthly and annual basis in line with the deadlines set out in the Service Standards.

Data validation and cleansing processes should be in place in accordance with TPR requirements.

6.5 Contribution bands

Banded contribution rates apply to the FPS based on a member’s pensionable pay. **The scheme manager will ensure that there are processes in place to allocate members to the correct contribution band at the start of each scheme year.**

Contributions are laid in legislation for each scheme and can be found on the annual updates page of the Regulations and Guidance website.

6.6 Reporting breaches

Scheme managers and pension board members have a statutory obligation to record and report breaches of the law.

When a potential breach has been identified, the breach assessment will be completed to assess the breach for materiality in order to determine whether it needs to be reported to TPR. This can also be stored as documentary evidence if the decision is later challenged.

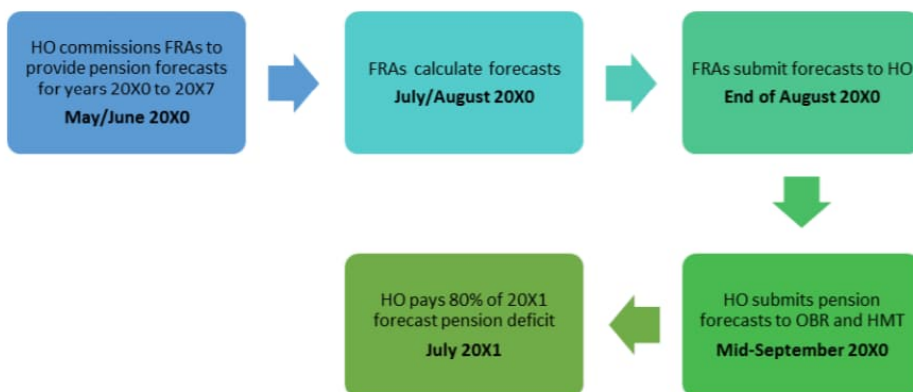
Although a breach may not seem material in terms of numbers of members affected, if the same members are consistently affected, this will be considered, along with likely timescales for rectification and what action may be taken to ensure that the breach does not reoccur.

CCFRA will use the TPR’s Assessment tool for determining whether a breach has occurred and if it should be reported.

The TPR is consulting on a new code of practice to replace the existing codes.

6.7 Top-up grant

Each year the Home Office commissions FRAs to submit pension forecasts for the following seven financial years in line with the following timescales.



The pension forecasts for the financial year following the collection are used to make an initial assessment on each fire authority’s annual top up grant entitlement for that year.

The collection of accurate annual pension forecast data is critical for ensuring sufficient budget cover is secured to make pension top up grant payments to FRAs each year.

The scheme manager is responsible for ensuring this information is submitted accurately and on time.

6.8 HMRC reporting

HMRC reporting will be the responsibility of CCFRA. LPPA (the Administrator) will provide accurate and timely data to enable the submission of reports.

Event Reporting – the scheme administrator of a registered pension scheme must tell HMRC when certain reportable events occur no later than 31 January following the end of the tax year. This is done by submitting the Event Report for a tax year.

These reportable events are split into two categories:

- reportable changes, and
- reportable fund movements.

There are 23 reportable events.

Full details on Event Reporting can be found in HMRC Pensions Tax Manual.

Accounting for tax (AFT) – the scheme administrator is liable for payment of certain tax charges in connection with the scheme. When a scheme administrator does have a tax liability, the return that the scheme administrator must complete to account for that liability is called the Accounting for Tax return.

The scheme administrator is responsible for making the AFT return and for ensuring it is correct and complete.

Please note this is not a reference to the pension administration provider. Scheme administrator in this context refers to the duties of the FRA as stated in paragraph 3, sub paragraph 2 of 2006/569 which confirms that references to 'scheme administrator' as set out in schedule 3 should be read as a reference to the sub scheme administrator as per schedule 2, in which the FRAs are listed.

A third-party administration provider can file the AFT on behalf of the scheme administrator, but the scheme administrator remains responsible for ensuring that it is submitted on time and the contents are correct. Where a provider submits the AFT the scheme administrator should have seen and approved its content before it is submitted to HMRC. The provider must make a declaration that the scheme administrator has approved the contents before they can submit it to HMRC.

6.9 General Data Protection Regulation (GDPR)

Each FRA is a Data Controller for pension scheme data under GDPR and must determine how, and for what purposes, data is to be processed.

CCFRA is a Data Controller as part of the Data Protection Act 2018 which incorporates the

General Data Protection Regulation (GDPR). This means that CCFRA store, hold and manage personal data in line with statutory requirements to enable the provision of pension administration services. To enable CCFRA to carry out their statutory duty, they are required to share information with certain bodies, but will only do so in limited circumstances. More information about how CCFRA hold data and who it is shared with can be found in the CCFRA's Privacy Notice on the CFRS website.

6.10 Disclosure

Under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations, **the scheme manager must provide certain information to scheme members within certain timescales.**

6.11 Overriding legislation

In addition to the scheme regulations, **the scheme manager will ensure compliance with any overriding legislation in force.**

6.12 Audit

CCFRA may commission internal and external audits in maintaining the FPS pension fund account and other pension related matters.

CCFRA will fully comply with any requests for information from both internal and approved external auditors, including from the administrator's auditors.

7. Administrator Duties and Responsibilities

7.1 The Pensions Regulator (TPR)

LPPA (the Administrator) will ensure that they are familiar with TPR's Code of Practice: Governance and administration of public service pension schemes, or any subsequent amendments / updates / new codes of practice (currently being developed).

7.2 Data standards

LPPA (the Administrator) **will ensure that suitable and secure methods of data transfer are available for CCFRA to use.**

Personal data will only be transferred from one party to the other via an acceptable method specified by the administrator which may include any of the following:

- a. Data transfer service (Internet based application)
- b. Secure email
- c. Paper forms signed by an authorised officer from the employer
- d. Password protected excel spreadsheet

Data validation and cleansing processes should be in place in accordance with TPR requirements.

7.3 Reporting breaches

LPPA (the Administrator) **also has a statutory obligation to record and report any identified breaches of the law.**

Please see section 6.6 for further details.

As noted above the TPR is consulting on a new code of practice to replace the existing codes.

7.4 HMRC reporting

The scheme manager retains legal responsibility for **HMRC reporting**.

See section 6.8 for more information.

7.5 GDPR

LPPA (the Administrator) holds personal data on behalf of the CCFRA, including all membership records and bank details of FPS pensioner members.

LPPA (the Administrator) is therefore a Data Processor for pension scheme data under GDPR and must determine how, and for what purposes, data is to be processed.

7.6 Overriding legislation

In addition to the scheme regulations, LPPA (the Administrator) **will comply with any overriding legislation in force.**

7.7 Audit

LPPA (the Administrator) is subject to an annual audit of its processes and internal controls. **LPPA's internal audit will provide assurance to the Local Pension Board by auditing the pension administration service provided to the CCFRA** and a summary of the audit should be provided to CCFRA.

Any subsequent recommendations will be considered and where appropriate implemented (following any necessary discussions with CCFRA).

CCFRA and LPPA (the Administrator) will consult with external auditors to seek acceptance of these proposals.

CCFRA may commission internal and external audits and the internal and/or external auditors may require access to the data held by LPPA (the Administrator) and explanations of the administrator's internal controls upon which CCFRA / the scheme manager relies.

Therefore, LPPA (the Administrator) **also has an obligation to comply with any requests from the CCFRA / the scheme manager's auditors.**

7.8 Benchmarking

LPPA (the Administrator) **will periodically monitor its costs and service performance** against the initial Aon report and any other benchmarking tool which may become available, to ensure that CCFRA continue to receive value for money.

Results should be made available to CCFRA.

8. Performance Reporting

Ensuring compliance is the responsibility of both the administrator and CCFRA. They will work closely together to ensure compliance with all statutory requirements, whether they are specifically referenced in the regulations, in overriding legislation, or in this administration strategy.

Both employer and administrator targets will be measured on a quarterly basis against specific tasks set out in the agreement and these will be reported to CCFRA. CCFRA will provide the information to their Local Pension Board.

LPPA (the Administrator) will ensure that they are appropriately resourced to meet the agreements in place.

Minimum standards for completing tasks in line with industry good practice and regulations, where applicable, are included in the 'Performance Levels' of the agreement for the delegation of CCFRA's FPS administration functions to Lancashire County Council. These are provided as a guide to the minimum requirements. As a matter of best practice, LPPA (the Administrator) may want to implement shorter local timescales.

A key factor in calculating the time taken to complete a process is the point at which the 'time clock' is started. This may be from the date of the relevant event or when LPPA (the Administrator) is informed or receives all necessary information. The clock may also need to be 'paused' during the process, for example to await instruction or documentation from the member or employer, and these waiting days can reasonably be excluded from the total time taken.

Pension administration software typically contains task-management/ work-flow modules which allow timescales to be built in.

9. Improving performance

Where areas of poor performance on either side are identified, LPPA (the Administrator) will work closely with CCFRA to provide the opportunity for necessary training and development.

Appropriate processes will be put in place to improve the level of service delivery. [An example escalation procedure is shown below, this is intended to apply in case of performance issues identified on either side.]

- Initially LPPA will liaise with CCFRA setting out the area(s) of poor performance and how they can be addressed.
- Where no improvement is demonstrated or there has been a failure to take agreed action, LPPA will write to the scheme manager setting out the area(s) of poor performance that has been identified and the steps taken to resolve those area(s).
- If lack of improvement continues or there has been ongoing failure to take agreed action, LPPA will write to the Local Pension Board setting out the area(s) of poor performance that has been identified and the steps taken to resolve those area(s).

LPPA (the Administrator) rely on timely and accurate data from CCFRA. Where persistent and ongoing failure occurs and no improvement is demonstrated, LPPA will escalate this to the scheme manager and Local Pension Board as above.

Where an employer fails to operate in accordance with the standards described in this

strategy, which leads to extra costs being incurred by LPPA (the Administrator), LPPA may issue a written notice requiring that these be met by the employer.

Any third-party costs or regulatory fines incurred by LPPA (the Administrator) solely as a result of poor performance by the employer may also be recovered. Such costs may include fines imposed by the Pensions Ombudsman or Pensions Regulator, and additional charges in respect of actuarial or software fees, and additional printing and distribution costs.

Both parties should consider the risk of reputational damage that may arise where a Pensions Ombudsman finding is published in the public domain and/or any fines are publicised.

These recommendations do not override the legal position and relationship between LPPA and CCFRA.

10. Service Standards

The service standards are set out in the Deed of Agreement for the delegation of Cumbria Commissioner Fire and Rescue Authority's Firefighters' Pension Scheme pension administration functions to Lancashire County Council. This includes:

- Functions
- Services and Service Levels
- Service Standards Contributors
- Performance Levels and Targets

Administration of the scheme has been outsourced to Local Pension Partnership Administration (LPPA) through the delegation agreement with Lancashire County Council.

11. Local Pension Board Responsibilities

Local Pension Boards were required to be established by 1 April 2015 under the provisions of Section 5 of the Public Service Pensions Act 2013 and regulation 4A of The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015.

The regulations state that each FRA must have an equal number of employer and member representatives, with a minimum of four members in total. Members are expected to have a sufficient degree of knowledge and understanding of the pension scheme to allow them to fulfil their role, which is to assist the Scheme Manager in complying with the pension scheme rules.

The membership of the CCFRA Local Pensions Board will include:

2 Employer Representatives

2 Scheme (member) Representatives

The CCFRA LPB will meet a minimum twice per year or quarterly where possible with advice being provided by the CFO, and Officers representing Finance, HR and Legal.

The Terms of Reference are attached as Appendix 2.

12. Training

An annual assessment of Training requirements is undertaken for members of the Fire LPB to ensure that collectively they have the required knowledge and skills to make appropriate decisions and offer challenge, and for Officers to ensure they are adequately trained and experienced to undertake the day-to-day operation and management of the fund.

The Training Policy is formally reviewed by the Fire LPB annually and a Training Plan developed each year.

There are various resources available for the delivery of the training as outlined in the Training Policy and Plan. These include:

- The Local Government Association (LGA) Bluelight pensions team who can provide annual training for boards at a local or regional level.
- The Pension Regulator (TPR) courses on the Public Service Toolkit, to help those involved in scheme governance to improve their knowledge.
- The Firefighter's Pensions (England) Scheme Advisory Board (SAB) website which holds a range of resources that have been developed to facilitate the effective running of Local Pension Boards.

13. Internal Controls and Risk Management

Risks are identified in the Risk Register which is monitored and reviewed at least quarterly by the LPB. Each risk sets out the internal controls to mitigate the main risks and how to monitor them.

It is the responsibility of the Scheme Manager, Officers of CCFRA and LPPA to take account of a changing environment to identify new and emerging risks. Risks will then be analysed and control measures or mitigations will be put in place.

Appendix 1 - Governance Policy Statement

Cumbria Fire and Rescue Authority Fire Pensions governance policy statement

The Public Service Pensions Act 2013 set out governance arrangements for all public service schemes with effect from 1 April 2015, including the requirement for each public service scheme to have a **Scheme Manager** and a **Fire Local Pension Board** in place.

Scheme manager

The term scheme manager is defined in law as the person responsible for **managing and administering** a pension scheme. The Firefighters' Pension Scheme (FPS) Governance Regulations provide that for the FPS, the scheme manager is the Fire and Rescue Authority.

Therefore, for the FPS in Cumbria, the Cumbria Commissioner Fire and Rescue Authority is the scheme manager. The scheme manager function may be delegated within the authority.

Cumbria Fire and Rescue Authority has delegated the function to the Chief Fire Officer.

Local Pension Board

The FPS Local Pension Board ("the Board") was established from 2015 under the provisions of Section 5 of the Public Service Pensions Act 2013 and regulation 4A of The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015.

The terms, structure and operational procedures of the Board are set out in the Board's Terms of Reference. The role of the Board is to assist Cumbria Fire and Rescue Authority as scheme manager to:

- secure compliance with the FPS Regulations and any other legislation relating to the governance and administration of the Fire Pension Scheme(s), and requirements imposed in relation to the FPS by the Pensions Regulator; and
- ensure the effective and efficient governance and administration of the FPS.

The Board provides oversight of these matters and, accordingly, it is not a decision-making body in relation to the management or administration of the FPS but makes recommendations to assist in such management.

Governance objectives

- To ensure robust governance arrangements are in place to facilitate informed decision making supported by appropriate advice, policies and strategies;
- To ensure the FPS is administered and its services delivered by people who have the appropriate knowledge and expertise;
- To ensure compliance with all appropriate legislation and statutory guidance, and to act in the spirit of other relevant guidelines and best practice guidance; and

- To identify and manage potential and actual conflicts of interest.

Appendix 2 – Fire Local Pension Board - Terms of Reference

Fire Local Pension Board Terms of Reference

FLPB Terms of
Reference

Version Control	Changes Made	Author
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Cumbria Fire Local Pension Board

1 **Summary**

- 1.1 The Cumbria Fire Local Pension Board is responsible for assisting the Scheme Manager of the Cumbria Firefighters' Pension Schemes to comply with all relevant legislative requirements and to ensure the effective governance of the schemes for Cumbria Firefighters Pensions.

2 **Functions of the Cumbria Fire Local Pension Board**

- 2.1 The Cumbria Fire Local Pension Board is responsible for assisting the Scheme Manager of the Cumbria Firefighters' Pension Scheme:

(a) to secure compliance with:

- (i) The fighters' Pension Scheme (England) Regulations 2014 (as amended from time to time);
- (ii) Other legislation relating to the governance and administration of the Firefighters' Pension Schemes (FPS); and
- (iii) The requirements imposed by the Pensions Regulator in relation to the FPS; and

(b) to ensure the effective and efficient governance and administration of the FPS.

- 2.2 The Board must have a policy and framework to meet the knowledge and understanding requirements of section 248A of the Pensions Act 2004.
- 2.3 In its role in assisting the Scheme Manager as described above, the Board shall report twice yearly to CFRS Strategic Governance Board on matters reviewed and suggestions for their consideration.
- 2.4 Where the Board is concerned that due consideration has not been given to matters of non-compliance the Board may submit a report for consideration by the Joint Audit Committee (JAC) as the body designated by the Scheme Manager with the capacity to investigate such matters on its behalf.
- 2.5 The Board is constituted under the Public Service Pension Act 2013 and the Fire Pension Scheme (Amendment) (Governance) Regulations 2014 and is therefore not subject to the requirements of s.101 of the Local Government Act 1972.
- 2.6 The Board has no remit as a decision-making body but is established to assist the Scheme Manager fulfil its functions which shall be deemed to cover all aspects of governance and administration of the Pension Scheme.

3 Operating Structure and Codes of Conduct of the Cumbria Fire Local Pension Board

- 3.1 The operating structure and codes of conduct of the Cumbria Fire Local Pension Board is as follows:
 - a) The Board will be quorate if 50% of designated members (i.e. 2) are in attendance.
 - b) Prior to appointment to the Board all members will be required to sign up to the Board's Code of Conduct and Conflicts of Interest Policy.
 - c) The Board will meet as a minimum twice a year. Meetings will be held during normal working hours and will predominantly be held within County boundaries.
 - d) Where required, a minimum of two Board members (one from the scheme member representatives and one from the scheme employer representatives) or the Scheme Manager can request a special meeting be convened. Notice of ten working days must be given.
 - e) As a non-decision-making body the Board have no authority to establish working parties / sub-groups.
 - f) Each member shall have an equal vote and, should it be required, the Chair will have the casting vote.

4 Commissioning of Service providers and Advisors

- 4.1 All members of the Cumbria Fire Local Pension Board have the right to access the support of independent advisors, however due regard has to be taken of securing value for money and as such whether in the first instance officers of the Cumbria Fire and Rescue Services could provide the assistance required.

4.2 Items of expenditure by the Board must have prior approval from the Section 151 Officer.

5 Role of Officers

5.1 Reasonable secretarial and professional support will be provided by Officers of the Scheme Manager. Costs associated with this will be charged to Cumbria Fire and Rescue Service.

6 Publication and Data Protection

6.1 As a general principle meetings will be open to the public.

6.2 Paper or electronic versions (as requested) of all agendas and papers will be provided to all members of the Board prior to a meeting. The Chair can accept that items be tabled on the day should such a need arise.

6.3 As a matter of policy the Pension Board has adopted the principals of paperless working, therefore as a matter of course public access to all agendas, public papers and minutes etc. will be available on the Cumbria Fire and Rescue Service's website. On request alternative media versions are available.

6.4 The Cumbria Commissioner Fire and Rescue Authority, as the Scheme Manager (delegated to the Chief Fire Officer), is the registered data controller of the Cumbria FPS, and as such all policies and practices in this regard applicable within the Cumbria Fire and Rescue Service are directly applicable to the Board.

7 Membership

7.1 Equal representation between scheme employers and scheme members is required. The membership of the Cumbria Fire Local Pension Board will comprise two scheme member representatives and two scheme employer representatives.

7.2 **Appointment of Board members** - to ensure an open and transparent selection process and to ensure the Scheme Manager meets its obligation to ensure appointed members have the relevant understanding and capacity, the selection process will be through application, matching to a role profile and interview. The Appointment Panel will consist of the Chief Fire Officer, Police Fire and Crime Commissioner and Head of People and Talent or nominated deputies.

7.3 Appointments will be for four years (or, in the case of a publicly elected role, for the remainder of their current term of office) and there will be no limit on the number of times a member of the board can seek to be reappointed.

7.4 The two scheme member representatives will be selected to ensure all membership groups within the Fund are considered.

- 7.5 **Appointment of the Chair / Vice Chair** – the Scheme Manager will appoint the Chair and the Vice Chair. The roles will be split with one being a scheme member representative and one being a scheme employer representative and this will be alternated on a two yearly cycle.
- 7.6 Reimbursement of reasonable expenses for attendance at meetings and training sessions will be in line with the Cumbria Fire and Rescue Service's agreed policies and rates. All such costs will be met directly by Cumbria Fire and Rescue Service.
- 7.7 **Relevant knowledge and capacity** – the Scheme Manager must ensure that each person appointed to the Board has the relevant knowledge and the capacity to represent the employers or members (as appropriate) of the Scheme. Initially this will be done through selection by the Scheme Manager but, following appointment, it is a member's individual responsibility to ensure they attend sufficient training to enable them to continue to fulfil the experience and capacity requirements. Full training will be provided and all reasonable costs will be met by Cumbria Fire and Rescue Service. To ensure compliance with the above a general level of attendance at meetings and training events is required.
- 8 **Substitution**
- 8.1 Substitutes are permitted and sufficient substitutes will be appointed to ensure that the representation described in 3.1 can be maintained whenever a substitution is required.
- 8.2 In recognition of the requirements relating to relevant knowledge and capacity, substitutes must be subject to the same appointment process as Board members detailed in 7.2 and the relevant knowledge and capacity requirements as set out at 7.7. Each substitute will be appointed for a four-year term and there is no limit on the number of times the substitute can seek to be reappointed.
- 8.3 Reimbursement of reasonable travel expenses for attendance at meetings and training sessions will be in line with the Cumbria Fire and Rescue Service's agreed policies and rates. All such costs will be met directly by the Cumbria Fire and Rescue Service.