



Report title

Firefighters' Local Pension Board - Supplementary Report

Meeting

LFEPA Local Pension Board

Date

26 March 2018

Report by

Head of Finance

Document Number

Public

Summary

This report provides members of the Local Pension Board (LPB) with additional information to address actions from the informal meeting of the LPB on 26 February.

Recommendation

That the LPB note the content of the report.

Introduction/Background

1. This report provides responses to the informal actions identified at the informal meeting of the LPB on 26 February, which resulted from the meeting not being quorate. The informal actions were as follows

- Jeff Lustig to draft a brief note of the effect and implications of the LFEPA/London Fire Commissioner statutory changes on the arrangements for the Local Pension Board and provide to the Chair.
- Officers to continue to consider further the composition of the London Pension Board post 1 April.
- Adrian Bloomfield to ask whether the new Local Pensions Partnership (LPP) organisational model resulted in any redundancies.
- The Chair to ask the Scheme Advisory Board (SAB) whether there were any further tax awareness sessions arranged.
- Tracey Dennison - The Provision of Information report IDR information on page 73 as submitted would be updated for any further formal meeting arranged.

- The Chair to ask the SAB if they received and if so what they did with the information provided to the Home Office on the reasons for opting out of the firefighter pension schemes.

Governance changes

2. The effect and implications of the LFEPA/London Fire Commissioner statutory changes on the arrangements for the Local Pension Board changes were set in an e-mail to the Chair on 1 March 2018. The detail from the e-mail is provided below.

Policing and Crime Act 2017

3. The Policing and Crime Act 2017 has made certain amendments to the Greater London Authority Act 1999. Amongst those amendments is the requirement that the Mayor of London is to appoint the London Fire Commissioner.

4. The Mayor must notify the Assembly of the person he proposes to appoint to the office. Within 3 weeks of receiving the notification, the Assembly's 'Fire and Emergency Committee' must make a recommendation to the Mayor as to whether or not the candidate should be appointed to the office. The 'Fire and Emergency Committee' may opt to hold a confirmation hearing before deciding the recommendation that is to be made to the Mayor.

5. The Mayor may accept or reject the recommendation.

6. The 'Fire and Emergency Committee' may veto the appointment of a candidate to the office of London Fire Commissioner. A 2/3rds majority is required for a veto.

7. The Mayor must not make any appointment until the end of the confirmation process – it is reached when either the Mayor has given notification of acceptance or rejection of the Assembly's recommendation or three weeks has expired without any recommendation being made to the Assembly.

The Policing and Crime Act 2017 (Commencement No. 7) Regulations 2018

8. The Policing and Crime Act 2017 (Commencement No. 7) Regulations 2018 came into force on 21 February, 2018. They commence the provisions of the Policing and Crime Act 2017 relating to the London Fire Commissioner in three stages.

- Certain provisions came into force today (1 March, 2018). These provisions facilitate the appointments of the Deputy Mayor for Fire and the London Fire Commissioner in advance of the new arrangements becoming operational on 1 April, 2018.
- Further provisions come into force on 22 March, 2018. These provisions relate to arrangements that facilitate membership of the Firefighters Pension Scheme by the holder of the office of the London Fire Commissioner and the appointment of a Deputy Fire Commissioner by the London Fire Commissioner.
- The remaining provisions (save for a very few exceptions) all come into force on 1 April, 2018

Appointments of the Deputy Mayor for Fire and Resilience and the London Fire Commissioner

9. On 8 February, 2018 the Mayor announced that he intends to appoint Dr Fiona Twycross as Deputy Mayor for Fire and Resilience. The Mayor also confirmed his intention to appoint the current Commissioner for Fire and Emergency Planning, Dany Cotton, as the London Fire Commissioner.
10. The information regarding the appointment process that I have received from lawyers acting for the Greater London Authority is:-

'In relation to the fire committee, the Assembly will meet on the morning of 22 March to confer its functions associated with the confirmation hearing on the fire committee, to enable the fire committee to then meet that day and consider whether to hold a confirmation hearing for the offices of London Fire Commissioner and the Deputy Mayor for Fire.'

11. The 'Fire Committee' referred to by the Greater London Authority lawyers is the Fire Resilience and Emergency Committee of that Authority. The Fire Resilience and Emergency Committee will fulfil the functions of the 'Fire and Emergency Committee' referred to in the legislation.
12. Accordingly, should the Fire Resilience and Emergency Committee decide at its meeting not to hold confirmation hearings and proceed to agree a recommendation approving the appointments of Dr Twycross and Commissioner Cotton, both appointments could become effective on 22 March, 2018.
13. The London Fire Commissioner will become the fire and rescue authority for Greater London on 1 April, 2018 at the abolition of the London Fire and Emergency Planning Authority (LFEPA) . The functions of the LFEPA will transfer to the London Fire Commissioner.

Local Pension Board establishment and responsibilities

14. By virtue of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 it is incumbent upon each Scheme Manager to establish a local pension board responsible for assisting it
 - (a) to secure compliance with
 - (i) the Regulations,
 - (ii) any other legislation relating to the governance and administration of the Firefighters Pension Scheme and
 - (iii) any requirements imposed by the Pensions Regulator in relation to the Firefighters Pension Scheme and
 - (b) to ensure the effective and efficient governance and administration of this scheme and any connected scheme.

Composition and Membership of the Local Pension Board

15. The London Fire Commissioner as Scheme Manager must determine
 - (a) the membership of the local pension board;
 - (b) the manner in which members of the local pension board may be appointed and removed;
 - (c) the terms of appointment of members of the local pension board.

16. A local pension board must include an equal number, which is no less than 4 in total, of employer representatives and member representatives
17. No officer of the London Fire Commissioner who is responsible for the discharge of any function under the Regulations (apart from any function relating to a local pension board or the Firefighters' Pension Scheme Advisory Board) may be a member of the local pension board of the London Fire Commissioner.
18. The Scheme Manager must be satisfied that any person to be appointed as a member of a local pension board does not have a conflict of interest.
19. Accordingly, the London Fire Commissioner will need to take a decision on membership, etc. of the London Fire Commissioner's Local Pension Board. However, that decision cannot be made until the London Fire Commissioner assumes the functions of the fire and rescue authority for Greater London and those of the Scheme Manager of the Firefighter Pension Scheme on 1 April, 2018.

LPB composition

20. The composition of the Local Pension Board post 1 April has been raised with the Head of Executive Support and will be considered as part of the arrangements to be put in place under the London Fire Commissioner.

LPP redundancies

21. The following statement has been provided by the Local Pensions Partnership (LPP) on possible redundancies resulting from the restructuring of pensions administration arrangements.

'The LPP integrated model allows for work to be carried out in any location irrespective of where the client they support is based, and with the intention of moving core administration away from central London where the costs are significant. We have been fortunate to offer homeworking and an alternative office located in London Borough of Havering offices (Romford, Essex) to our staff, in addition to Preston, Lancashire as an alternative to redundancy. Whilst 6 people have voluntarily opted for early retirement/redundancy from the central London and Hertfordshire team, none of these individuals were experienced members of the Fire support team. As such, we do not expect to see any diminution in service other than face to face meetings which will need to be planned fully in the future to take into account travel.'

Tax awareness

22. The SAB currently has no plans to repeat the tax awareness training that was offered, though they are looking into the possibility of offering tax training for practitioners, which would look more in depth at the technical aspects.
23. However, we could consider developing a training package for the Board and relevant officers, perhaps linking up with other Eastern region boards. Options to deliver this and potential costs will be investigated.

IDRP information

24. With regards to the Provision of Information report, page 73, the Head of Human Resources has written to the FBU Employee side representative explaining the original wording, but advising that a proposal for alternative wording would be considered. A response is awaited.

25. As an update to the position on the six individuals that lodged a complaint regarding the transitional arrangements for the 2015 FPS, officers can confirm that having considered the position, there are no objections to allowing the six individuals to continue deferring the decision to pursue their complaint through IDRPs pending the outcome of the FBU legal case.

Opt out information

26. The information provided to the Home Office, by all FRAs, on members who have elected to opt-out of the pension scheme, is used to support the analysis of the top up grant forecasts provided by FRAs.

27. The opt out information does not appear to be shared with the Scheme Advisory Board.

Head of Legal and Democratic Services comments

28. The Head of Legal and Democratic Services comments are included in the body of this report.

Director of Finance and Contractual Services comments

29. Comments by the Director of Finance and Contractual Services are incorporated in the body of the report.

Sustainable Development implications

30. No direct implications.

Staff Side Consultations undertaken

31. Consultation is not necessary as the Staff Side are members of the Local Pension Board.

Equalities implications

32. No direct implications.

List of Appendices to this report:

1. None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of background documents	
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