



Northumberland County Council

Audit Committee

Wednesday, 29 November 2023

FPS Local Pension Board 22/23 Annual Report

Report of Councillor(s) NA

Responsible Officer(s): Jan Willis, Executive Director of Transformation and Resources

1. Link to Key Priorities of the Corporate Plan

This report is relevant to ensuring the best value priority in the Council's Corporate Plan 2021-2024.

2. Purpose of report

To provide the 2022/23 Annual Report of the FPS Local Pension Board to the Audit Committee.

3. Recommendations

Audit Committee is asked to receive the Annual Report of the FPS Local Pension Board for 2022/23, attached as **Appendix 1** to this report and provide comment to the Board and NCC's FPS Scheme Manager, if appropriate.

3.1

4. Forward plan date and reason for urgency if applicable

Not applicable, this report does not require a key decision

5. Background

NCC is administering authority for the FPS

NCC participates as an employer in a number of public sector pension schemes. Following the merger of Northumberland County Council Pension Fund into Tyne and

Wear Pension Fund on 1 April 2020, NCC now administers only one scheme, namely the FPS.

FPS governance arrangements within NCC

NCC is a fire and rescue authority (“**FRA**”) under the Fire and Rescue Services Act 2004. Each FRA is a **Scheme Manager** as defined by the Public Service Pensions Act 2013 (“**the PSP Act 2013**”). The PSP Act 2013 sets out governance arrangements applicable from 2015, for all public service schemes. These include the requirement for each scheme to have a Scheme Manager and a Local Pension Board (“**LPB**”) in place.

The term Scheme Manager, as defined in the PSP Act 2013, is a function not a person. The Firefighters’ Pension Scheme Governance Regulations 2015 provide that the Scheme Manager is the appropriate FRA. Therefore, it is NCC in its capacity as FRA that has the Scheme Manager role for the FPS for the Northumberland Fire and Rescue Service.

NCC has delegated to the Section 151 Officer the exercise of the Scheme Manager function for the FPS in consultation with the Chief Fire Officer.

The Scheme Manager is responsible for the governance and administration of the FPS and has a decision making role. In contrast, the LPB is responsible for **assisting** the Scheme Manager in securing compliance with legislation and regulations, and ensuring the efficient and effective governance and administration of the FPS, and has an oversight (or scrutiny) role.

The requirement to report to Audit Committee

As required by the FPS Governance Regulations, the NCC FPS LPB has its own Terms of Reference. The Terms of Reference, approved by full Council on 1 April 2015 and incorporated in the NCC Constitution, are attached as **Appendix 2** to this report.

Within Section 3 of the Board’s Terms of Reference (“Role of the FPS Local Pension Board”) it says:

“The Board must provide minutes of each meeting to the Chief Financial Officer and may make reports and recommendations to the Chief Financial Officer in so far as they relate to the role of the FPS Local Pension Board.

*In addition, an annual report of the FPS Local Pension Board (as prepared by the Chair of the FPS Local Pension Board), must be provided to the Chief Financial Officer, the Monitoring Officer and the **Audit Committee**.*

*In the exceptional circumstances that the Board considers that a matter brought to the attention of the Chief Financial Officer has not been acted upon or resolved to its satisfaction, the FPS Local Pension Board will provide a report to the Monitoring Officer and **Head of Audit** who will provide a separate view on the matter, taking expert advice as considered appropriate.”*

Since inception, the NCC FPS LPB has worked well with the Scheme Manager and has not brought any matter to the attention of the Monitoring Officer and Head of Audit. Nevertheless, there is a requirement to provide the LPB’s annual report to Audit Committee each year. This provides a summary of the work of the LPB over the previous year and gives Audit Committee the opportunity to comment.

The 2022/23 Annual Report of the FPS LPB

The 2022/23 Annual Report of the FPS LPB is attached as **Appendix 1**.

The LPB Annual Report was also taken to the 31st October meeting of the LPB, where the Chair brought the following to the LPB’s attention:

- The format of the LPB Annual Report remains unchanged since the LPB was established.
- In addition to the standard quarterly and annual business, the LPB considered the topical issues of the Matthews second options exercise and progress on implementing remedy for age discrimination.
- There were no changes in councillor membership of the LPB during the year.
- The NFRS’s FPS membership numbers remained fairly static.

6. Options open to the Council and reasons for the recommendations

Not applicable

7. Implications

Policy	The FPS LPB is part of NCC’s governance arrangements.
Finance and value for money	The FPS LPB assists the Scheme Manager in securing compliance with legislation and regulations, and ensuring the efficient and effective governance and administration of the FPS. This reduces the potential for financial loss through errors, breaches of the law and maladministration.
Legal	There is a requirement in the LPB’s Terms of Reference (section 3) to provide its annual report to the Audit Committee.
Procurement	None
Human resources	None
Property	None
The Equalities Act: is a full impact assessment required and attached?	Not required Not applicable
Risk assessment	None
Crime and disorder	None

Customer considerations	None
Carbon reduction	None
Health and wellbeing	None
Wards	(All Wards);

8. Background papers

Report to Council 1 April 2015
FPS Governance Regulations and guidance

9. Links to other key reports already published

Not applicable

10. Author and Contact Details

Lewis Nicklen, Lead HR Adviser
Email: lewis.nicklen@northumberland.gov.uk