

Status of Report: Public

Meeting: CFA Local Pension Board

Date: 22 September 2021

Subject: Firefighters' Pension Scheme Breaches Register

Report by: The Scheme Manager

Author: Colin Sharpe, Deputy Director of Finance, Leicester City Council

For: Discussion

Purpose

1. To provide an update to the Local Pension Board on the Fire Fighters' Pension Scheme Breaches Register.

Recommendations

2. That the Board notes that no breaches have taken place in the reporting period to 31 August 2021.

Executive Summary

3. The Pensions Act 2004 required that the Pension Regulator must be informed of breaches to the law where that breach is likely to be of material significance.
4. A breach is where a legal duty relevant to the administration of the scheme hasn't been or isn't being complied with: this could relate for instance to keeping records, internal controls or calculating benefits.
5. The Pensions Regulator recommends that the pension scheme should have adequate procedures that enable breaches of the law to be considered and reported. This includes having a system to record breaches even if they are not reported to the regulator.
6. No breaches have been identified in the period to 31 August 2021.

Background

7. Whilst previous breaches have been considered, and where necessary reported to the Pensions Regulator, there is currently no systematic method of capturing where potential breaches have been identified, reviewed and what subsequent action has been taken.

8. The following people are required to report breaches to the Pensions Regulator:
 - i. Scheme Manager;
 - ii. Pension Board Members;
 - iii. Employer;
 - iv. Professional Advisor;
 - v. Scheme Administrator;
 - vi. Any advisor to the Scheme Manager.
9. No breaches have been identified in the reporting period to 31 August 2021.
10. The Local Government Association have issued some suggested templates for assessing breaches. These have been used to draw up a LFRS breach assessment template, register and associated guidance.
11. The assessment considers the cause, effect, reaction and wider implications of the breach. Each of these is then assessed according to whether it is of material significance by using the Red / Amber / Green assessment tool as recommended by the Pensions Regulator.
12. The assessment should, in normal circumstances, be completed within four weeks of the breach first coming to light, signed by the Scheme Manager and reported back to the Pensions Board at the earliest opportunity.

Financial Implications

13. There are no financial implications arising directly from this report. Any financial implications for the Authority will be reported to the Corporate Governance Committee.

Legal Implications

14. 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.

Officer to Contact

Colin Sharpe, Deputy Director of Finance, Leicester City Council
colin.sharpe@leicester.gov.uk
0116 454 4081