

# **Staffordshire Fire and Rescue Service**

## **Local Pension Board – Terms Of Reference**

### **Introduction**

The Public Service Pensions Act 2013 requires the establishment of a Pension Board with the responsibility for “assisting the Scheme Manager” in securing compliance with all relevant pensions law, regulations and directions as well as the Codes of Practice of the Pension Regulator. This role is one of providing assurance in and governance of the scheme administration.

### **Accountability**

The Pension Board collectively and members individually are accountable to the Scheme Manager, which is ultimately the Stoke-on-Trent and Staffordshire Fire and Rescue Authority ( SFRA) as the responsible authority for the Firefighters' Pension Schemes (FPS).

The Staffordshire Fire and Rescue Service continue to be responsible for the contractual arrangements, including delivery against the contract and agreed KPIs, for the pension scheme administrator.

### **Responsibilities of the Local Pension Board**

The Pension Board is responsible for assisting the Scheme Manager in:-

- Overall assurance and governance of the FPS administration.
- Ensuring effective and efficient administration of the FPS.
- Ensuring that decisions made by Staffordshire Fire and Rescue Authority are fully legally compliant, including consideration of cases that have been referred to the Pension Regulator and/or the Pension Ombudsman; recommending changes to processes, training and/or guidance where necessary.
- Monitoring administrative processes and supporting continuous improvements.
- Ensuring the Scheme Administrator supports the employer to communicate the benefits of the FPS and fully utilise them as part of the Fire Service's total reward offer through effective communication to members.
- Ensuring the Scheme Administrator supports members with a range of tools to improve their understanding of their pension benefits as part of the total reward offer, and to inform their personal financial and career planning.
- Improving Data Quality to deliver 'CARE' Pension Outcomes.
- Compliance with the Pensions Regulator's Codes of Practice.
- Fostering good working relationships with the Pensions Regulator.
- Consideration of the annual report from the Pensions Regulator, including any responses to recommendations.
- Producing an annual report outlining the work of the Board throughout the Scheme year.

## Membership

The Board will comprise an equal number of employer and member representatives with a minimum requirement of no less than four in total. The membership of the Local Pension Board will include:-

**Member representatives** representing members of the FPS.

Member representatives shall either be members of the scheme administered by Staffordshire Fire and Rescue Authority or have experience of representing pension scheme members in a similar capacity. These may be but are not limited to Trade Union representatives and must be in Scheme employment i.e. a firefighter who is currently employed by a fire and rescue authority. Member representatives will be voting members.

2 member representatives shall be appointed to the Board.

Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

**Employer representatives** are appointed for the purpose of representing employers. These may be, but are not limited to Members or Officers of the Authority. Employer representatives will be voting members. Employer representatives shall be office holders or senior employees of Staffordshire Fire and Rescue Authority or have experience of representing scheme employers in a similar capacity. Office holders or employees of Staffordshire Fire and Rescue Authority with delegated responsibility for discharging the scheme manager function of Staffordshire Fire and Rescue Authority may not serve as employer representatives.

Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

Employer representatives shall be appointed by Staffordshire Fire and Rescue Authority in a manner which it considers best promotes the purpose of the Board.

2 employer representatives shall be appointed to the Board

The employer and member representatives will remain equal in number at all times.

### ***Appointment of chair***

The Staffordshire Fire and Rescue Authority shall appoint a Board appointed chair from within the Board Members

The duties of the chair should be in accordance with the duties of a chair within Staffordshire Fire and Rescue Authority

It is proposed to instruct professional advisors, for example finance experts, GAD advisors and legal advisors on an “as required” basis to provide the breadth of specialist understanding to deliver compliance. Representatives invited for their particular technical knowledge and co-opted to the Board will not be voting members.

The Scheme Administrator will provide the necessary input into the Board to support the Board to deliver on its assurance responsibilities. This may require their attendance at meetings for specified timeslots at the request of the Board, through the secretariat.

The Secretary to the Authority will provide the secretariat and will seek nominations and make appointments based on the regulatory provisions. It is proposed that the Board meets on a quarterly basis, as a minimum.

### **Notification of appointments**

On appointment to the Board Staffordshire Fire and Rescue Authority shall publish the name of the appointees, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Board.

### **Quorum**

Two-thirds of the voting members of the Local Pension Board will represent a quorum for meetings to go ahead. The Chair must be present for the meeting to be quorate

## **Conflicts of interest**

All members of the Board must declare to Staffordshire Fire and Rescue Authority on appointment and at any such time as their circumstances change any potential conflict of interest arising as a result of their position on the Board.

On appointments to the Board and following any subsequent declaration of potential conflict Staffordshire Fire and Rescue Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of Staffordshire Fire and Rescue Authority [and the requirements of the Pensions Regulators codes of practice on conflict of interest for Board members.

## **Training Requirements**

Members of the Local Pension Board will be expected to have a good, sound knowledge and understanding of the FPS rules administration policies relating to the FPS, and pension law in general. This will require on-going updates and training as legal requirements change and develop including the issue of new regulations and directions from HM Treasury, the Department for Work and Pensions and HM Revenue and Customs. This is set out further in the Pensions Regulator's (draft) Code of Practice 14, "Governance and administration of public service pension schemes".

Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding policy and framework.

Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

## **Expertise**

It may be necessary to draw on particular experts or expert groups to support the responsibilities of the Pension Board, such as actuaries and lawyers. This will be done on an 'as required' basis; any expert advisor attending the meeting is not a Board member and does not have a vote. If required, sub-groups may be established to assist the Board.

The Pension Board will work with the Scheme Advisory Board on some key matters such as communication and lines of accountability will be agreed.

## **Relationship with the Scheme Advisory Board**

Whilst the function of the national Scheme Advisory Board is to provide advice to the Responsible Authority (i.e. Secretary of State) about the desirability of scheme changes there may well be a need for some sharing of information or discussion between the Boards. This will be explored further during the Shadow period, and clarified further in amended Terms of Reference.

## **Remuneration**

Remuneration for board members will be limited to a refund of actual expenses incurred in attending Local Pension Board meetings.

## **Tenure**

The tenure period for Local Pension Board members will usually run for a three to five year period on a rolling appointment basis – assuming a maximum of 10 years. Tenure will be decided by the Scheme Manager during the appointment process. The Chair's tenure will be agreed on appointment, but will also be between three and five years, to a maximum of ten years.

Resignation of Board members will be documented in writing to the Local Pension Board Chair. A suitable notice period must be given with 1 month being a minimum, to enable a replacement member to be found.

The performance of Board members will be assessed on a periodic basis to ensure that all members are adequately meeting their duties. Poor performance will result in corrective action being taken, and in exceptional circumstances the removal of the Board member.

## **Review**

These terms of reference will be reviewed after the Local Pension Board has operated for 2015, and periodically thereafter.

## **Meeting Arrangements**

The Local Pension Board will meet quarterly in the first year and this arrangement will be reviewed to ensure that it enables delivery of responsibilities. It is proposed that arrangements in line with the FPS Regulations 2014 should be in place from 1 April 2015.

The Secretary to the Authority will undertake the secretariat function for the Pension Board and as such will ensure that:-

- Facilities are available to hold meetings.
- An annual schedule of meetings is organised.
- Suitable arrangements are in place to hold additional meetings if required – ensuring adequate notice.
- Papers will be distributed 7 days before each meeting except for exceptional circumstances.
- Minutes of each meeting will normally be circulated 7 working days following each meeting.

The chair of the Board with the consent of the Board membership may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

## **Voting**

The Chair shall determine when consensus has been reached. Where consensus is not achieved this should be recorded by the Chair.

## **Interpretation**

In these terms 'the Scheme' means the Firefighters' Pension Scheme.

In these terms Regulations means the Firefighters' Pension Scheme 1992, as amended, the Firefighters' Pension Scheme 2006, as amended and the Firefighters' Pension Scheme Regulations 2014 as amended.

In these terms 'regulations' include the Firefighters' Pension Scheme 1992, as amended, the Firefighters' Pension Scheme 2006, as amended, the Firefighters' Pension Scheme Regulations 2014 as amended, , the Pension Regulators Codes of Practice as they apply to the scheme manager and pension board and any other relevant legislation applying to the Scheme.