

## **Staffordshire Commissioner Fire and Rescue Authority**

### **Firefighters' Pension Board – Terms of Reference (Updated May 2019)**

#### **Purpose**

The purpose of the Board is to assist the Strategic Governance Board and the Staffordshire Commissioner in his role as a Scheme Manager of the Firefighters' Pension Schemes (FPS).

Such assistance is to:

- (a) secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and;
- (b) Ensure the effective and efficient governance and administration of the Scheme.

The Board will comprise an equal number of employer and member representatives with a minimum requirement of no less than four in total.

#### **Accountability**

The Pension Board collectively and members individually are accountable to the Scheme Manager, being the Staffordshire Commissioner in his role 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 Key Performance Indicators (KPIs), for the pension scheme administrator.

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

The Pension Board is responsible for assisting the Scheme Manager:

- To review the governance and administration of the FPS and challenge appropriately where this is not being done effectively or efficiently
- To review decisions made by Staffordshire Commissioner ensuring that 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
- To monitor administrative processes and supporting continuous improvements.
- To ensure 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

- To ensure 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
- To improve Data Quality to deliver 'CARE' Pension Outcomes
- To comply with the Pensions Regulator's Codes of Practice
- To foster good working relationships with the Pensions Regulator
- To consider the annual report from the Pensions Regulator, including any responses to recommendations
- To review and minute any decisions approved by the Staffordshire Commissioner as Scheme Manager or the Strategic Governance Board to ensure transparency of decision and information.

## **Duties of the Board**

- The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of these duty Board members:
- (a) Should act always in the interests of the scheme and not seek to promote the interests of any stakeholder group above another.
- (c) Should be aware of and abide by SFRS Data Protection, Privacy and Confidentiality Policy and protective security principles

## **Material Concerns**

Should a Board member have a material concern this can be raised with the Staffordshire Commissioner or alternatively through the whistleblowing policy

## **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 the Staffordshire Commissioner 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. Member representatives will be voting members.

Two 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 the Staffordshire Commissioner Fire and Rescue Authority or have experience of representing scheme employers in a similar capacity. Office holders or employees of Staffordshire Commissioner Fire and Rescue Authority with delegated responsibility for discharging the scheme manager function of the Staffordshire Commissioner 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 Commissioner Fire and Rescue Authority in a manner which it considers best promotes the purpose of the Board.

Two 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 chair shall be appointed from within the Board Members.

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

It is proposed to instruct professional advisors, for example finance experts, the Local Government Association, 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. Any cost of professional advisors will be met by the Service with approval from the Director of Finance for the Staffordshire Commissioner.

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 Monitoring Officer for 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.

### **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. Substitute members of the Board will not be allowed.

### **Conflict of interest**

All members of the Board must declare to Staffordshire Commissioner 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, the Monitoring Officer shall ensure that any potential conflict is effectively managed in line with both the internal procedures of Staffordshire Commissioner Fire and Rescue Authority and the requirements of the Pensions Regulators codes of practice on conflict of interest for Board members.

### **Knowledge and Understanding (including 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. The Board should establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to Board members. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.

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.

### **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.

Board membership may be terminated prior to the end of the term of office due to:

- (a) A member representative appointed on the basis of their membership of the scheme no longer being a member of the scheme;
- (b) A member representative no longer being a member of the body on which their appointment relied;
- (c) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied;
- (d) The representative no longer being able to demonstrate their capacity to attend and prepare for meetings or to participate in required training.

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 due for review in May 2020 (annually).

## **Meeting Arrangements**

The Board shall meet at least four times per year and this arrangement will be reviewed to ensure that it enables delivery of responsibilities

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

The Monitoring Officer 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.

Minutes of the Board Meetings will be reported to Strategic Governance Board.

### **Voting**

The Chair shall determine when consensus has been reached. Each member present at the Board will have a vote and should the number of votes be equal then the Chairman of the Board will have the casting vote.

### **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 (Including 2006 Modified Pension Scheme) as amended and the Firefighters' Pension Scheme Regulations 2015.

In these terms 'regulations' include the Firefighters' Pension Scheme 1992, as amended, the Firefighters' Pension Scheme 2006 (Including 2006 Modified Pension Scheme), as amended, the Firefighters' Pension Scheme Regulations 2015, 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.