Shropshire and Wrekin Fire and Rescue Authority

Pension Board

22 July 2015

**Pension Board Terms of Reference**

Report of the Chief Fire Officer

For further information about this report please contact John Redmond,

Chief Fire Officer, on 01743 260201, or Sharon Lloyd, Corporate Support Manager, on 01743 260210.

1. Purpose of Report

This report asks the Pension Board to agree its Terms of Reference, a draft of which is set out at the appendix to this report.

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|  | RecommendationsThe Pension Board is asked to:1. Formally adopt the Terms of Reference, set out at the appendix to this report;
2. Determine the number of Board meetings to be held per year, the times at which the Board will meet and the quorum for meetings;
3. Include in the Terms of Reference the wording set out in section 4 of this report regarding the administration of Board meetings.
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1. Background

The Public Service Pensions Act 2013 and Regulations made thereunder required public service pension scheme managers to establish, by 1 April 2015, a Local Pension Board to assist in:

1. Securing compliance with the Regulations, any other legislation relating to the governance and administration of the pension scheme, and requirements imposed by the Pensions Regulator in relation to the scheme and;

(b) Ensuring the effective and efficient governance and administration of the Scheme.

Accordingly, at its meeting in February 2015, the Fire Authority agreed the composition of such a Board, noted its draft Terms of Reference and delegated, to the Assistant Chief Fire Officer, the task of establishing the Board.

Since then the Board has been established by the appointment of two employer and two employee representatives, namely:

**Employer Representatives**

Deputy Chief Fire Officer Rod Hammerton

Treasurer and S151 Officer James Walton

**Member Representatives**

Brigade Secretary Fire Brigades Union Matt Lamb

Representative of the Retained Firefighters Union Tony Talbot

1. Terms of Reference

As one of its first tasks the Pension Board is asked to adopt formally its Terms of Reference. Based on a model provided by the Local Government Association, these are set out in draft at the appendix to this report.

Board members are asked to agree:

* The minimum number of times, which it will meet each year – it is recommended that this be set at 2;
* The times between which it will normally meet – it is recommended that these be between 9.00 am and 5.00 pm;
* The total number of members required to be present for a meeting to be quorate – because the Board is made up of only 4 members, it is recommended that this be set at 4 (which includes the Chair); and
* That the administration of Board meetings follow the procedures set out in the Standing Orders for the Regulation of Proceedings and Business of Shropshire and Wrekin Fire and Rescue Authority. Where there is any discrepancy between those Standing Orders and these Terms of Reference, it is proposed that the latter take precedence. Furthermore, if requested by a Board member, meeting papers will be sent via email, to an email address specified by them, rather than by post to their home address.

The Section on ‘Appointment of Chair’ will be finalised once the Fire Authority has agreed its preferred option at its meeting in October 2015. The final Terms of Reference will also be ratified at that meeting.

1. Financial Implications

There are no financial implications associated with this report.

1. Legal Comment

The Public Service Pensions Act 2013 and Regulations made thereunder require public service pension scheme managers to establish, by 1 April 2015, a Local Pension Board.

Guidance, issued in respect of the creation and operation of such Boards, states that the scheme manager, when establishing its Board, should create Terms of Reference for the Board.

1. Appendix

Shropshire and Wrekin Fire and Rescue Authority Pension Board

Draft Terms of Reference

1. Background Papers

The Public Service Pensions Act 2013 and Regulations made thereunder

Firefighters’ Pension Scheme Guidance on the creation and operation of Local Pension Boards in England

**Shropshire and Wrekin Fire and Rescue Authority**

**Pension Board**

**Draft Terms of Reference**

1. **Statement of Purpose**

The purpose of the Board is to assist Shropshire and Wrekin Fire and Rescue Authority in its role as a Scheme Manager of the Firefighters Pension Scheme (the Scheme). 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.

1. **Duties of the Board**

The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty Board members:

1. Should act always in the interests of the scheme and not seek to promote the interests of any stakeholder group above another; and

(b) Should be subject to and abide by Shropshire and Wrekin Fire and Rescue Authority Members’ Code of Conduct.

1. **Membership**

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

***Member Representatives***

Two member representatives shall be appointed to the Board.

Member representatives shall either be members of the scheme administered by Shropshire and Wrekin Fire and Rescue Authority or have experience of representing pension scheme members in a similar capacity.

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***

Two employer representatives shall be appointed to the Board.

Employer representatives shall be office holders or senior employees of Shropshire and Wrekin Fire and Rescue Authority or have experience of representing scheme employers in a similar capacity.

Office holders or employees of Shropshire and Wrekin Fire and Rescue Authority with delegated responsibility for discharging the scheme manager function of Shropshire and Wrekin 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 Shropshire and Wrekin Fire and Rescue Authority in a manner, which it considers best promotes the purpose of the Board.

1. **Appointment of chair**

Shropshire and Wrekin Fire and Rescue Authority shall appoint an (*delete as appropriate*):

* + (Option 1) independent chair
	+ (Option 2) Board appointed chair
	+ (Option 3) Shropshire and Wrekin Fire and Rescue Authority appointed chair

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

1. **Notification of appointments**

On appointment to the Board Shropshire and Wrekin 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.

1. **Conflicts of interest**

All members of the Board must declare to Shropshire and Wrekin 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 Shropshire and Wrekin Fire and Rescue Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of Shropshire and Wrekin Fire and Rescue Authority and the requirements of the Pensions Regulator codes of practice on conflict of interest for Board members.

1. **Knowledge and Understanding (including Training)**

Knowledge and understanding must be considered in light of the role of the Board to assist Shropshire and Wrekin Fire and Rescue Authority in line with the requirements outlined in section 2 above. 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.

1. **Term of Office**

Term of Office should be in accordance with the committee cycle in Shropshire and Wrekin Fire and Rescue Authority.

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.

1. **Meetings**

The Board shall meet at least twice a year. Meetings shall normally take place between the hours of 9.00 am and 5.00 pm.

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 administration of meetings shall follow the procedures set out in the Standing Orders for the Regulation of Proceedings and Business of Shropshire and Wrekin Fire and Rescue Authority. Where there is any discrepancy between those Standing Orders and these Terms of Reference, the latter shall take precedence.

If requested by a Board member, meeting papers shall be sent via email, to the email address specified by them, rather than by post to their home address.

1. **Quorum**

The total number of members required to be present for a meeting to be quorate is all four members.

1. **Voting**

The Chair shall determine when consensus has been reached.

Where consensus is not achieved this should be recorded by the Chair.

1. **Requests for Information**

In support of its core functions the Board may make a request for information to Shropshire and Wrekin Fire Authority with regard to any aspect of the Scheme Manager function. Any such a request should be reasonably complied with in both scope and timing.

1. **Recommendations**

In support of its core functions the Board may make recommendations to Shropshire and Wrekin Fire and Rescue Authority, which should be considered and a response made to the Board on the outcome within a reasonable period of time.

1. **Interpretation**

In these terms of reference:

'the Scheme' means the Firefighters’ Pension Scheme.

‘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, 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.