

FIREFIGHTER PENSION SCHEMES TERMS OF REFERENCE

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1. Definitions

1.1 The undernoted terms shall have the following meaning when used in this document:

“Local Pension Board”	Means the Local Pension Board for Cleveland Fire Authority as administering authority for the Pension Fund required under the Public Service Pensions Act 2013 and as established under regulation 4A of the Firefighters Pension Scheme (Amendment) (Governance) Regulations 2015.
“Scheme Manager”	Means Cleveland Fire Authority as administering authority of the Pension Fund.
“Chair”	The individual responsible for chairing meetings of the Board and guiding its debates.
“Firefighters Pension Scheme”	The Firefighters Pension Scheme as constituted by the Firefighters Regulations 2014 as amended and all applicable and related primary and subordinate legislations.
“Firefighters Pensions Scheme Advisory Board”	Means a Board established under regulation 4E of the Firefighter Pension Scheme (Amendment) Governance Regulations 2015

These Terms of Reference shall be reviewed on each material change to that part of the Regulations covering local pension boards.

These Terms of Reference were adopted in line with the approval to the formation and constitution as a Local Pension Board by Cleveland Fire Authority on 27 March 2015.

.....**Signed on behalf of the Administering Authority**

2. Introduction

- 2.1 This document sets out the terms of reference of the Local Pension Board of the Cleveland Fire Authority (the Administering Authority) and a Scheme Manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as ‘the Board’) is established in accordance with Section 5 of that Act and under regulation 4 of the Firefighters Pension Scheme (England) Regulations 2014 as amended by the Firefighters Pension Scheme (Amendment) (Governance) Regulations 2015.
- 2.2 The Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the standing orders or scheme of delegation of the Administering Authority apply to the Board unless expressly included in this document.
- 2.3 The Board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions.
- 2.4 The CFA has delegated the Administering Authority to the Scheme Manager (Chief Fire Officer).
- 2.5 These terms of reference may be amended by regulation or in consultation with the Board by the Scheme Manager.

3. Functions

- 3.1 The Purpose of the Board is to assist the Scheme Manager of the Scheme. Such assistance to:
- a. Secure compliance with Regulations, any other legislation relating to the governance and administration of the Scheme and requirements imposed by the Pension Regulator in relation to the Scheme and;
 - b. Ensure the effective and efficient governance and administration of the Pension Scheme.
 - c. Provide the Scheme Manager with such information as they require ensuring that any member of the Pension Board or person to be appointed to the Board does not have a conflict of interest.

- 3.2 The Duties of the Board are to act at all times in a reasonable manner in the conduct of its purpose. In support of this 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
 - b. Will ensure it effectively and efficiently complies with the code of practice or future codes of practice on the governance and administration of public service pension schemes issues by the Pension Regulator.
 - c. Shall meet sufficiently regularly to discharge its duties and responsibilities effectively, but not less than four times in any year. There is also the provision for special meetings to be convened on notice.
 - d. Shall endeavour to attend all Board meetings during the year.

4. Membership and Appointment

- 4.1 The Board shall consist of a minimum of 4 voting members with an equal number of employer and scheme member representatives to be constituted as follows:

2 employer representatives and 2 scheme member representatives

The Pension Regulator Governance and Administration Survey 2018 recommends that the membership be increased to a minimum of 6 voting members to ensure the Board still meets its legal requirements when resignations occur.

- 4.2 Employer representatives:

- a. A minimum of 2 employer representatives shall be appointed following nominations or expressions of interest and approved by the Scheme Manager
- b. Shall be office holders or senior employees of Cleveland Fire Authority or who have the capacity to represent employers on the Local Pension Board. No officer or elected member of the Administering Authority who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.

- c. Should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
- d. Should commit to acquire the knowledge and skill requirement set out in the relevant regulations and guidance and as further defined in this document

4.3 Member (employee) representatives:

- a. A minimum of 2 member (employee) representatives shall be appointed following nominations or expressions of interest and approved by the Scheme Manager
- b. Shall either be members of the schemes administered by Cleveland Fire Authority or have experience of representing pension scheme members in a similar capacity
- c. Should be able to demonstrate their capacity to represent members of the Scheme and attend and complete the necessary preparation for meetings and participate in training as required
- d. Should commit to acquire the knowledge and skill requirement set out in the relevant regulations and guidance and as further defined in this document

4.4 Chair

The Chair shall be appointed by the membership of the Local Pension Board at the Annual meeting.

The role of the Chair is to:

- a. Ensure that all members of the Board show due respect for process, that all views are fully heard and considered and to determine when consensus has been met, instances of a failure to reach a consensus position will be recorded and published.
- b. To uphold and promote the purpose of the Board and to interpret its Terms of Reference when necessary.
- c. Ensure the Board members have the knowledge and skills as required to properly and efficiently discharge the functions of the Board having regard to applicable guidance and/or legislation.

- d. Agree the agenda and minutes for each Board meeting with the Board Secretary.
 - e. Ensure the attendance record is maintained
 - f. Advise the Scheme Manager on any required budget for the Board. The Chair shall not incur any expenditure on behalf of the Board without seeking the prior written consent of the Scheme Manager.
 - g. Write reports required by the Scheme Manager on the performance of the Board.
 - h. Liaise with the Scheme Manager on the requirements of the Board, including advanced notice of Officers to attend and arranging dates and times of Board Meetings.
 - i. Support annual review of the Board.
- 4.5 If required, the appointment of an Independent Chair by the Scheme Manager will be made following an openly advertised competitive process for the role or otherwise subject to the approval by a motion of the Board to approve the appointment.
- 4.6 Members of the Board shall be appointed following nominations or expressions of interest and approved by the Scheme Manager.
- 4.7 Successful employer and employee representatives will be selected by the Scheme Manager having regard to their capacity to represent other scheme employers and members, attend meetings and undertake extensive training.
- 4.8 Members in all categories will only be appointed by the Scheme Manager if they commit to acquire the knowledge and skill requirement set out in the relevant regulations and guidance and as further defined in this document.

5. Term of Appointment

- 5.1 Members of the board will serve up to a maximum term of four years which can be extended for further period(s) subject to re-nomination. This is to allow sufficient development of knowledge and understanding.
- 5.2 Other than as a result of retirement at the expiry of this period the term of office will come to an end:
- a. For employer representatives who are councillors if they cease to hold office as a Councillor of the Fire Authority.
 - b. For employer representatives who are not councillors when they cease to be employed by the employing body where they were employed on appointment.
 - c. For member representatives if they cease to be a member of the relevant member group.
- 5.3 Substitute members are not permitted due to the nature of the Board as the supervisory body and the need for appropriate knowledge and skills and the management of conflicts of interest.
- 5.4 Members of the Board shall cease to be a member of the Board if they do not attend two consecutive meetings and fail to tender apologies which are accepted by the Board.
- 5.5. In event of the Chair not being available for a Board Meeting, the Vice Chair will chair the meeting.
- 5.6 The removal of the Chair requires the consent of the Scheme Manager.

6. Quorum

- 6.1 A meeting is only quorate when at least one employer representative and one scheme member representative is present which should include the Chair or Vice Chair
- 6.2 A meeting that becomes inquorate may continue but any decisions will be non-binding

7. Conflicts of Interest

- 7.1 All members of the Board must declare to the Scheme Manager 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.
- 7.2 On appointments to the Board and following any subsequent declaration of potential conflict, the Scheme Manager shall ensure that any potential conflict is effectively managed in line with both the internal procedures of Cleveland Fire Authority and the requirements of the Pensions Regulator's codes of practice on conflict of interest for Board members.

8. Review

- 8.1 The Board will undertake each year a formal review to assess how well it and its members are performing with a view to seeking continuous improvement in the Board's performance.

9. Advisors to the Board

- 9.1 The Board may be supported in its role and responsibilities through the appointment of advisors as agreed with the Scheme Manager. In addition the Board will have access to the officers of the Pension Fund and where considered appropriate access to the actuarial advisors to the Pension Fund.

10. Knowledge and Skills

10.1 A member of the Board must be conversant with:

- a. The Legislation and associated guidance of the Firefighters Pension Scheme
- b. Any documented policy about the administration of the Firefighters Pension Scheme for the time being adopted by the Pension Fund.

10.2 A member of the Board must have knowledge and understanding of –

- a. The Law relating to pensions, and
- b. Any other matters which are prescribed in regulations

10.3 It is for individual Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Board.

10.4 In line with this requirement Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. The Scheme Manager is therefore required to maintain a written record of relevant training and development.

10.5 Board members will undertake a personal training need analysis and regularly review their skills, competencies and knowledge to identify gaps and weaknesses.

10.6 Board members will comply with any applicable training policy and arrangements.

10.7 Board members shall be conversant with such best practice, statutory and non-statutory guidance, including that issued by the Pensions Regulator in the Code of Practice (as annexed herewith **Appendix A**)

11. Board Meeting – Notice, Minutes and Reporting

- 11.1 The Board shall as a minimum meet four times per year, considering that quarterly meetings are recommended good practice. Meetings shall normally take place between the hours of 0830 to 1700.
- 11.2 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 emails.
- 11.3 The Scheme Manager shall give notice to all Board Members of every meeting of the Board, and shall ensure that all papers are published on the Authority's website at least five working days prior to each meeting. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Schedule 12A of the Local Government Act 1972 or being confidential for the purposes of Section 100A (2) of that Act and/or they represent personal data covered by the Data Protection Act 1998.
- 11.4 The Scheme Manager shall ensure that a formal record of Board proceedings is maintained.
- 11.5 The Board shall on an annual basis produce a report on both the nature and effect of its activities for consideration by the Scheme Manager. The contents of this annual report will be subject to consideration and agreement at a meeting of the Board, but should include as a minimum;
- a. Details of the attendance of members of the Board at meetings,
 - b. Details of the training and development activities provided for members of the Board and attendance at such activities.
 - c. Details of any recommendations made by the Board to the Scheme Manager and the Scheme Manager's response to those recommendations.
 - d. Details of the costs incurred in the operation of the Board
- 11.6 The Board in considering items of business at its ordinary meetings shall in relation to each item consider whether it wishes to make a recommendation to the Scheme Manager, to which the Scheme Manager shall respond at the subsequent meeting.

12. Remit of the Board

12.1 The Board must assist the Scheme Manager through the provision of advice in line with the primary core function in securing compliance with the regulations, and all other legislation relating to the governance and administration of the Scheme, and those requirements imposed by the Pensions Regulator.

12.2 Including but not limited to:

- a. regular compliance monitoring reports
- b. a review of the management administration and governance of the Board in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Regulators Code of Practice.
- c. a review of the compliance of scheme employers with their duties under the Regulations and relevant legislation.
- d. assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Statement of Investment Principles.
- e. assist with the development of and continually review scheme member and employer communications as required by the regulations and relevant legislation.
- f. monitor complaints and performance on the administration and governance of the scheme.
- g. assist with the application and resolution of disputes.
- h. review the complete and proper exercise of Pensions Ombudsman cases as referred to the Board.
- i. review the implementation of revised policies and procedures following changes to the Scheme.
- j. review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.
- k. review the complete and proper exercise of employer and administering authority discretions.

- l. review the outcome of internal and external audit reports.
- m. review the compliance of particular cases, projects or process on request of the Scheme Manager.
- o. any other area the Scheme Manager deems appropriate.

12.3 The secondary core function of the Board is to ensure the effective and efficient governance and administration of the Scheme including but not restricted to:

- a. Assist with the development of improved customer services.
- b. Monitor performance of administration and governance against key performance targets and indicators
- c. Assist with the development of improved management, administration and governance structures and policies.
- d. Assist in the development and monitoring of process improvements on request of the Scheme Manager.

13. Standards of Conduct

13.1 The role of the Board members required the highest standards of conduct and therefore the “seven principles of public life” as defined within the Authority’s Code of Conduct (in compliance with section 28 of the Localism Act 2011) will be applied to all Pension Board members.

13.2 These principles are –

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

14. Decision Making and Voting

14.1 Each employer and member representative of the Board will have an individual voting right but it is expected the Board will as far as possible reach a consensus.

14.2 The Chair shall determine when consensus has been reached.

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

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

14.5 In support of its core functions the Board may make recommendations to the Scheme Manager which should be considered and a response made to the Board on the outcome within a reasonable period of time.

15. Publication of Pension Board Information

15.1 Stakeholders of the scheme will want to know that the Pension Fund is being efficiently and effectively managed. They will also want to be confident that the Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirement of the Pension Regulator.

15.2 Up to date information will be posted on the Cleveland Fire Authority website showing:

- a. The names and other relevant information about the Board members
- b. How the scheme members are represented on the Board
- c. The responsibilities of the Board as a whole
- d. The full terms of reference of the Board and how they operate
- e. Details of the Pension Board appointment process
- f. Any specific roles and responsibilities of individual Board members

15.3 The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

16. Accountability

16.1 The Board will be collectively and individually accountable to the Scheme Manager.

16.2 The Board will adhere to the Data Protection policies/guidance notes held by the Scheme Manager.

17. Expense Reimbursement and Remuneration

17.1 All members of the Board shall, on the production of relevant receipts be reimbursed for travel and subsistence they have incurred in the conduct of their duties as a member of the Board, including attendance at relevant training and development activities.

17.2 Members of the Board shall be reimbursed a mileage allowance for use of their own car at the rate prescribed in line with the Member Allowance Scheme for the Cleveland Fire Authority.

18. Reporting Breaches

18.1 Where any breach of legislation or duties is committed or is alleged to have been committed in the administration of the scheme, the Scheme Manager will:

- a. Meet with the Board as soon as reasonably possible
- b. Present a report to the Board on the findings (Guidance Note 5 – Reporting Breaches of the Law)

19. Interpretation

19.1 Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Scheme Manager.

19.2 In these terms 'the scheme' means the Firefighters Pension Scheme

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

19.4 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.

20. Recruitment Process for Directly Appointed Member Representatives

20.1 Every member of the scheme administered by Scheme Manager will be notified of the vacancy. Nomination packs will include the terms of reference, an invitation to nominate themselves or another appropriate person as a member representative, a nomination form and a voting form.

20.2 Any nomination should include information as to how the nominee meets the requirements of the role as set out in the terms of reference and how their appointment would be in the best interests of the purpose of the Board.

Code of practice no. 14

Governance and administration of public service pension schemes

The full document can be found on the following link:

<http://www.thepensionsregulator.gov.uk/docs/code-14-public-service.pdf>

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*The Pensions
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